Daily Report

Latin America

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FBIS-LAT-90-166 *27 August 1990*

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Soviet Comments on Latin American Economic Ties

PY2408175490 Madrid EFE in Spanish 0848 GMT 24 Aug 90

[Text] Lima, 24 Aug (EFE)—Soviet Specialist Nikolai Zaitsev [name as received] said yesterday that Soviet economic ties with Latin American countries are at a low level. He added, however, that there are factors that may help to improve and strengthen these ties in the future.

Zaitsev is the deputy director for Latin America of the USSR Academy of Science Institute and a consultant of the UN institute on multinational companies. He held a news conference at the Andean Pact headquarters in Lima in response to an invitation extended by the Cartagena Agreement Board.

Zaitsev said that the Latin American and Soviet economies can complement each other "better than people think" and that "there is the great possibility" of achieving joint undertakings.

He added that Latin American companies have much to offer in the agricultural field, particularly regarding the processing of textiles and leathers, shoes, and a series of consumer-related sectors that need large investments in the USSR.

Zaitsev said the USSR has an excess of technological, financial, and human resources that may be used in Latin America.

He stated that about 2,000 joint ventures with foreign capital had been established by mid August in the USSR. He added that foreign investments surpass $3 billion in the USSR and that this represents "an important" amount because this method has only been operational for the past three years.

Zaitsev explained that Latin American countries have invested over $13 million in the 20 companies that are established in the USSR; and that of this number Venezuela has invested in seven companies, Brazil in five, Argentina in two, Panama in one, Colombia in one, and Bolivia in one.

He described as "insignificant" Latin American-Soviet business cooperation; but added that based on his experience, he believes there are "great" possibilities for future joint undertakings.

Reportage on UN Conference on Crime Prevention

Escalona Gives News Conference

FL2508125890 Havana Tele Rebelde Network in Spanish 1058 GMT 25 Aug 90

[Text] Dr. Juan Escalona Reguera, president of the National Assembly of the People's Government and chairman of the Cuban delegation to the Eighth UN Conference on Crime Prevention and Rehabilitation, has granted a news conference on the latest information available on the upcoming event.

Escalona Reguera said this conference is the largest meeting sponsored, up to the moment, by the United Nations. The conference begins on Monday, 27 August, in Havana and will conclude on 7 September. The chairman of the Cuban delegation confirmed that the meeting will be attended by 1,419 participants who comprise 634 official delegations. The forum will be attended by 39 ministers and a large number of prosecutors, police chiefs, and prison officials.

Escalona Reguera said that the conference organizers are pleased with the Palace of Convention facilities that will be used for the forum.

Polish Minister Arrives

FL2508132890 Havana Tele Rebelde Network in Spanish 1058 GMT 25 Aug 90

[Text] Foreign delegations that will participate in the Eighth UN Conference on Crime Prevention and Rehabilitation continued to arrive last night and this morning.

Mr. Aleksander Bentkowski, Polish justice minister and attorney general, is presiding over his country's delegation to this event. He was received at the airport by Dr. Carlos Amat, acting justice minister of the Republic of Cuba and Mr. Jerzy Baranski, Polish ambassador to Cuba.

Four more high-level delegations are expected to arrive in our country today.

PRC Delegation Arrives

FL2508011090 Havana Television Service in Spanish 0000 GMT 25 Aug 90

[Text] The delegation from the People's Republic of China [PRC] that will participate in the eight UN Conference on Crime Prevention and Rehabilitation arrived in our country this afternoon. The Chinese delegation is headed by Justice Minister Cai Cheng. Acting Cuban Justice Minister Dr. Carlos Amat welcomed the delegation at the Jose Marti Airport. Many foreign delegations are already in Havana to participate in the UN-sponsored event. The Chinese delegation will stay in Cuba for the duration of the event.

Cuba

Alarcon Criticizes UN Resolution on Use of Force

PA2608012690 Havana International Service in Spanish 0012 GMT 26 Aug 90

[Statement by Ricardo Alarcon, vice foreign minister and permanent representative to the United Nations, "on the Security Council resolution authorizing the use of force in the Arab Persian Gulf conflict," on 25 August; place not given—recorded]

[Text] We see a resolution that is really illegal. It is simply an attempt to legalize actions that the United States has been carrying out for the past two weeks. In addition, the resolution completely fails to observe the procedures established in the UN Charter and therefore cannot in any way be considered acceptable.

On the contrary, it sets a grave precedent regarding a Security Council member's arbitrary and irresponsible use of resolutions and, above all, regarding what is stipulated in the charter. First of all, the United States had on its own imposed a blockade on Iraq. The fact that the United States was forced to go to the Security Council to request—through tricks, maneuvers, and a really tortuous text—that such a blockade be established, is a way of admitting that what it had been doing to date was illegal and that it had to face that reality.

It must also be understood that with this resolution, the North Americans, to the extent that they are interested in undertaking new provocations and new military actions, will evidently support themselves with it. They will justify their conduct with this resolution. In any case, they will be committing a serious mistake. They will be playing with fire in an extremely explosive situation which, far from benefitting the United States, will bring disaster [words indistinct]. The fact that the council has asked some states to organize a blockade of Iraq does not change one iota the fact that up to now the United States has been imposing a blockade without anyone's permission. We believe the resolution sets a serious precedent because the charter is being used in a way that benefits one of the members rather than in the way the charter establishes that force should be used in international relations. We believe this is an unacceptable precedent.

Commentary on UN Resolution

FL2508123290 Havana Radio Rebelde Network in Spanish 1039 GMT 25 Aug 90

["Our Opinion" commentary read by Orlando Contreras on the "Haciendo Radio" program]

[Text] This morning, after prolonged polling and diplomatic efforts by the United States, the UN Security Council approved by 13 votes in favor and two abstentions—our country and Yemen—a resolution that ratifies an accomplished fact: the use of force in the Arab Persian Gulf crisis.

The initial U.S. draft resolution was modified. The one that was approved authorizes the use of force but in accordance with the actions required by concrete circumstances. It also calls for the maximum use of political and diplomatic measures that will enforce the Iraq embargo, which is really a blockade and which has already been approved by the UN Security Council.

I would like to repeat the remarks made this morning by Ricardo Alarcon, our ambassador to the United Nations. I quote: The use of force that has already been deployed is being approved. Measures for the use of force are being taken without waiting to see the results of economic sanctions and without even waiting for the UN secretary general's report, end quote.

Besides what this measure signifies, there is a primary reality that is evident once again: We are living in a unipolar world. I should mention that the draft presented by the United States was approved by the USSR, France, Great Britain, and the PRC—the five permanent members of the council that have veto power—and by the rest of the non-permanent members, with the exception of Cuba and Yemen, who abstained.

I think that it is also necessary to point out that Iraq's action of invading and annexing Kuwait violates the UN Charter and international law. However, recent history has shown that if analyzed under the same legal concepts, such actions as the U.S. military invasions of Panama and Grenada and the Yankee air attack on Tripoli also violate the same principles. On those occasions, the UN Security Council did not react in the same way because the NATO bloc, headed by Washington, justified these violations. This clearly indicates that in today's world, Third World nations are considered to be, more than ever before, countries with restricted sovereignty. It also indicates that the equality guaranteed by the UN Charter is rhetorical fiction that is applied in accordance with the interests of the powerful, especially with the interests of the military and hegemonic superpower, the United States.

It is also appropriate to recall that this is the first time in the almost half-a-century history of the United Nations that the UN Security Council has authorized this kind of military action to enforce economic sanctions against a country.

When South Africa supported the killing of black citizens and applied apartheid with the greatest cruelty, economic sanctions were also approved—South Africa is not even a member of the United Nations because apartheid violates the basic principles of coexistence—but the Security Council did not approve the use of force, not even the slightest use of force, not even based on certain circumstances. No force of any kind was approved.

Israel has committed true genocide against the Palestinian people. Has the Security Council ever applied economic sanctions against Israel and authorized the use of weapons to enforce those sanctions? There are

obvious reasons to disregard all this rhetoric. South Africa was a strategic ally of the United States and the West in the then bipolar world. Israel now plays the same role.

As stated by the Carter administration's former national security adviser, Zbigniew Brzezinski, what Washington has decided to do is guarantee cheap Gulf oil and it has the military force to do so.

Oil Refinery Said To Be 'Practically Paralyzed'

PA2608181890 Mexico City NOTIMEX in Spanish 1720 GMT 26 Aug 90

[Text] Havana, 26 Aug (NOTIMEX)—An unspecified number of oil shipments from the Soviet Union have not yet arrived in Cuba. Therefore, the Cuban authorities are preparing measures to face the situation caused by the unusual lack of fuel.

An official Cuban source has confirmed that the oil refinery in Cuba has been practically paralyzed since last week due to the delay in the arrival of the Soviet oil shipments, and also because of the oil crisis resulting from the Persian Gulf conflict.

For four days, the largest gas stations in Havana have been surrounded by endless lines of cars, whose owners sometimes wait a whole night to get a few liters of gasoline.

Juan Escalona, president of the National Assembly of the People's Government, has said that the concentration of the Saudi Arabian oil sales to the United States has "frozen" fuel sales on the international oil market, where there is little oil and the oil that does exist is sold at a very high price.

Escalona added that Cuba has also been unable to get fuel from its friends, Mexico and Venezuela, because those markets have no ability to increase their oil production.

The Soviet Union has traditionally supplied Cuba with approximately 13 million tons of oil per year, but this year the oil shipments have been delayed and the contracts have been broken.

PRC Envoy Notes Positive Relations With Havana

FL2508181790 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Aug 90

[Text] Chen Jiuchang, the new PRC ambassador to Havana, has said in Beijing that relations between the PRC and Cuba are in a period of development with excellent and extensive possibilities. The envoy departed today for our country.

This positive situation, the diplomat said to the press, is due to joint efforts made during the past few years, which have made high-level visits possible and led to the signing of a bilateral agreement that increases the ties between the two nations. The PRC and Cuba, the diplomat added, are socialist countries undertaking the same task of safeguarding peace and developing their own economic system. The ties that exist between the peoples of the two countries date back to the last century.

The new PRC ambassador to Cuba reaffirmed his country's position to support the sovereign decisions of the Cuban Government and people. No one has the right to interfere in Cuba's domestic affairs, he stressed. He added: The Cuban president, Commander in Chief Fidel Castro, has explicitly stated his decision to always fly the flag of socialism and to continue along that path, an expression which we especially appreciate because it is our very own opinion.

Regarding Latin America, the Chinese diplomat mentioned that his country's position is based on supporting the sovereignty and independence of those nations, which guarantees their growing communications and trade. The envoy praised Latin American efforts toward economic integration, which he said benefited the prosperity of each nation. He also said that the PRC wishes to expand its bilateral and regional relations.

Anniversary of Relations With DPRK Marked

FL2408143390 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Aug 90

[Text] Foreign Minister Isidoro Malmierca has hosted a reception at the Foreign Ministry to mark the 30th anniversary of the establishment of diplomatic relations between the Republic of Cuba and the DPRK. The members of the Korean Foreign Ministry delegation participating in the festivities attended the reception. The Korean delegation is headed by Foreign Vice Minister (?Su Hon-choe). Ministers of state; vice ministers; and other government, political, and mass organizations officials were present for the Cuban side.

Nicaraguan Health Minister Praises Medical Aid

FL2408175990 Havana Tele Rebelde Network in Spanish 1700 GMT 24 Aug 90

[Text] Nicaraguan Public Health Minister Ernesto Salmeron thanked the members of the Cuban medical brigade for the services rendered in Nicaragua's North Atlantic coast. Salmeron met with the doctors just hours before they returned to Cuba. The Nicaraguan minister stressed the brigade's dedication and their contribution in decreasing infant mortality.

For one month, the Cuban public health brigade worked in the areas of the North Atlantic coast that were flooded last July.

[Begin recording] [Dr. Ernesto Salmeron, identified by caption] Those are the friends that count, the ones that extend their hands to you when you don't have any money, when you have problems, and when you are in a real bind. That kind of friend comes and helps you solve the problem. A price can never, never be placed on this kind of work.

Tomorrow morning I am departing to see if I can try another way—I already tried the United States—to see if we can find the support that is worthy of being described as solidarity. Neither hearts nor souls can be bought, sold, leased, or loaned; they are given, and they are given when the decision is made to share, when the decision to serve exists. [applause] [end recording]

Mexico's Cuauhtemoc Cardenas Comments on Visit

FL2708120390 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Aug 90

[Text] Armando Hart, minister of culture, and Manuel Pineiro, chief of the Latin American Department of the Communist Party of Cuba [PCC] Central Committee, have received Cuauhtemoc Cardenas, national coordinator of Mexico's Democratic Party [as heard], who is visiting our country.

[Begin recording] [Unidentified reporter] Mr. Cuauhtemoc, what do you expect from your visit in Cuba?

[Cardenas] Well, to strengthen friendship ties, in this case of the Party of the Democratic Revolution [PRD], with our Cuban friends and to have the opportunity to talk with the comrades of the PCC and see where we can walk together. A lot needs to be done in Latin America. There are many things that we agree on. There are also matters which we need to talk about, problems we are experiencing in Mexico, and problems that are being experienced in Cuba.

[Reporter] I understand that the results of the elections in the State of Mexico are going to be announced soon. Could you tell us something about it?

[Cardenas] The elections will be held in November. We are going through the first months of the campaign. The PRD, our party, has candidates in several municipalities. We are campaigning to replace municipal officials, mayors, and local congressmen. We have candidates in several places, several municipalities. We are preparing to intensify the campaign in September and October.

[Reporter] Thank you very much. We wish you a lot of success in your trip. [end recording]

Women Willing To Defend Socialism 'At Any Price'

FL2408161890 Havana Tele Rebelde Network in Spanish 1250 GMT 24 Aug 90

[Text] The Federation of Cuban Women has conveyed to our commander in chief a message affirming that Cuban women are willing to defend socialism at any price. The note says that each Cuban woman feels in the bottom of her heart that we owe everything that our people have achieved, everything we are to the revolution, to socialism. In times of deep reflection we must tell you, even taking the risk of hurting your sincere modesty, that we also owe it to you, to your wise, courageous, and audacious leadership, your dedication to the people, to the fatherland, to the pressing struggle to make a better world.

Political-Cultural Event Marks FMC Anniversary

FL2408140490 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Aug 90

[Text] Federation of Cuban Women [FMC] President Vilma Espin has attended a political-cultural event held in this capital to mark the organization's 30th anniversary. Armando Hart, member of the Communist Party of Cuba Politburo and minister of culture, made the closing remarks. [video shows chorus singing]

[Begin Hart recording] The revolution has a new way of working for the FMC and other social and mass organizations, a way of democratically dealing with the defense of the revolution. Women, examine the functions and responsibilities of the FMC in these new times. Make as many changes as necessary, and use the strengthening of the organization as a road and instrument, especially for the grass roots.

The new generations should pave the way to a greater diversity, to a greater attention to the views and criteria of the young masses. Thus, we will have more diversity within our unwaivering commitment expressed in the sacred slogans of all times; diversity of criteria to support better and comply more effectively with the principles of independence or death, freedom or death, fatherland or death, socialism or death, we will win! [applause] [end recording]

Castro Comments on Baseball, Volleyball Players

FL2408160490 Havana Tele Rebelde Network in Spanish 1200 GMT 24 Aug 90

[Interview with President Fidel Castro upon the return of a group of amateur baseball players by Julia Osendi on 23 August; place not given—recorded]

[Text] [Osendi] What do you think, what does it mean to you that despite the millions of dollars that have been given to these guys they are still here with you.... [corrects herself] That is, that despite the fact that offers have been made to them constantly, that they have been bombarded by U.S. scouts, they are still here with you.

[Castro] It is because virtue, heroism, and honesty have become a daily occurrence in this country. For us it seems to be the most natural thing in the world. It is surprising anywhere in the world but for us it is the most logical and natural thing and we expect that from them.

[Osendi] Are you happy?

[Castro] Yes, of course.

[Osendi] What about the volleyball championship?

[Castro] Well, I have been thinking about Mireya [volleyball star] all the time. I get up in the morning thinking

about Mireya, and I go to bed thinking about Mireya. I went to see her when she had just had surgery. I visited her the day I went to see the Soviets that are at the Frank Pais Hospital. I found out that Mireya was there so I went to chat with her. I talked with [Dr.] Alvarez Cambras. I saw that she was in good spirits. Mireya is a key factor. I think that they have put (?Lazaro) to play and she is playing and spiking well. I think we can win even without Mireya but if she were in top shape Mireya would give us the victory for sure. Without Mireya, it is more difficult to attain the goal.

[Osendi] It is felt.

[Castro] Yes, undoubtedly her absence is felt. I am sure that the team would have the championship's victory guaranteed.

[Osendi] I believe she also plays differently.

[Castro] She inspires people a lot. I now fear that she may hurt herself as she tries to help. Alvarez Cambras says she is fine but the effects are always felt. Today she passed up a chance of spiking. You can see that she is being cautious. If she is going to play she should play toward the end. In addition, if she can play, one has to see if she is as effective without training as she usually is. Her presence there lifts the team's morale. If she were in top shape I would not doubt for a moment that we would win the championship.

[Osendi] What do you think about Javier Sotomayor that....

[Castro, interrupting] Very good. You know about the tragedy of the death of Sotomayor's trainer. I believe he competed a lot the year he spent a long time in Europe. Well, he ended up in a good place. You know that he was injured. He also went through the death of his trainer. These are factors. We hope that he can recover.

[Osendi] We agree. Thank you very much, Commander.

Antigua and Barbuda

Price Increase in Oil Products 'Unacceptable'

FL2408171490 Bridgetown CANA in English 1521 GMT 24 Aug 90

[Text] St. John's, Antigua, Aug 24, CANA—Leader of the Antigua-Caribbean Liberation Movement (ACLM), Tim Hector, has described as "unacceptable" the government's decision to increase the price of oil related products and electricity rates as a result of the crisis in the Persian Gulf.

"I find those things grossly unacceptable. Antigua has never benefited from any decrease in oil (prices)," Hector told CANA.

He said that at one unspecified stage Antigua was paying U.S. 35 dollars a barrel for oil when other regional countries were paying nine dollars.

"It seems absurd. Somebody is playing games with the consumers and the game playing must stop," the ACLM leader charged.

The Ministry of Trade, Industry, and Commerce announced earlier this week, without giving any specifics, that there would be increases in the prices oil related products because of the world price rise. In January consumer prices were increased by about 90 per cent because the government said a higher octane product was being imported. The Antigua Public Utilities Authority (APUA) said last week that electricty rates would be up come month-end.

Hector also called for the establishment of a "rate payers association" which he said "would approve all increases in rates."

"Any increase should be justified by such an association," he added.

The Antiguan opposition politician, has accused the government of having a stranglehold over the people.

"The government has never been in favour in democratisation. It has always believed in the centralisation of power. Sooner or later this approach will conflict with the people," Hector said.

Dominican Republic

Balaguer Discusses Tariff Reform Policies

FL2408165590 Santo Domingo Raido-Television Dominicana Radio Network in Spanish 1600 GMT 24 Aug 90

[Text] President Joaquin Balaguer has said that it is regretable that trade union sectors prefer taking to the streets to organize protest demonstrations and disturbances instead of going to the negotiating table with the different sectors representing Dominican life to resolve the country's problems. The president said this at the Ambassadors' Hall of the National Palace in his opening remarks at the third meeting of the Economic Solidarity Pact sectors, who are meeting to discuss the tariff reform policy that the government will apply in the next few days.

President Balaguer said that to arrive at a true tariff reform policy, the country needs the participation of all sectors, especially that of the people and trade union organizations. The president said that the government's goals are to reform the economy of the Dominican Republic, correct all its distortions, and thus establish it on realistic plans.

In his opening remarks, the president of the republic said it is urgent to reach an agreement on tariff reform because the government, in addition to the burden of salary increases, has been affected by the oil price hikes applied by oil-producing countries.

Orders Takeover of Trade Union

FL2508134290 Havana Tele Rebelde Network in Spanish 1058 GMT 25 Aug 90

[Text] The administration of Dominican President Joaquin Balaguer has shut down the trade union of the Dominican Electricity Corporation, thus intensifying confrontations between authorities and people's sectors. The president of the Dominican Republic has ordered the military take over of the trade union and justified the action by blaming the trade union for the blackouts the Caribbean island has experienced.

Ramon Almanzar, spokesman for the group representing people's organizations, has called for a 72-hour general strike on 3 September in response to the measure of force imposed by the Balaguer government.

Haiti

Two Ministers Resign; More Resignations Expected

FL2408202290 Port-au-Prince Radio Metropole in French 1600 GMT 24 Aug 90

[Italicized passages in Creole]

[Excerpts] Two members of the provisional government who disagree with provisional President Ertha Pascal Trouillot's government resigned from the Cabinet today: They are Social Affairs Minister Claudette Werleigh and Agriculture Minister Lionel Richard.

The announcement of these resignations comes nine days after the State Council publicly totally withdrew its support from provisional President Trouillot. The State Council said last 15 August that the chief of state had lost the population's trust, and informed the executive that it was going to exercise its right of veto—which State Council President Louis Roy said was the equivalent of a vote of no-confidence.

The Unity Committee for the Respect of the Constitution has received the news of the two ministers' resignation with satisfaction. Committee official Antoine Izmery feels that by resigning, Mrs. Werleigh and Lionel Charles [name as heard] have shown proof of courage and lucidity. The committee feels that this government, having voluntarily moved away from its fundamental principles, can no longer be sanctioned by democrats. Izmery is expecting further resignations, among them those of Foreign Minister Kesler Clermont, Justice Minister Pierre C. Labissiere, and Commerce Minister Maurice Lafortune. Izmery goes so far as to demand the resignation of President Ertha Pascal Trouillot.

[Begin recording] [Passage omitted] [Reporter] *If this government changes, it will be one more delay in the electoral process.*

[Izmery] *Not at all; and this is what must be well-understood: If this government is not changed, we will not be able to make it to free and democratic elections. We might have a rigged election; and perhaps—according to our analysis of the problem—even a massacre like 29 November [1987] and a rigged election like 17 January [1988]; whereas if we change this now, we can move forward. It is true that we will lose a week, but we will be able to move toward elections much more quickly. And, of course, our deadline is not 4 November. It is 7 February 1991—that is the deadline, as far as we are concerned. Thus we know that we have plenty of time ahead of us to arrive at 7 February 1991 with a new, democratically-elected president.* [end recording]

Armed Men Sow Panic in Capital on 23 August

FL2408161490 Port-au-Prince Radio Antilles Internationales in French 1730 GMT 23 Aug 90

[Italicized passages in Creole]

[Excerpts] Panic in Port-au-Prince! There has once again been a panic in the Centre Street, Pavee Street, and Lalue areas. Civilians driving around in a car—armed with FAL rifles, Uzi submachine guns, and 45-caliber revolvers— have caused a general panic. Boutiques quickly lowered their iron curtains, while street vendors and pedestrians sought shelter. [passage omitted]

They were at first in the vicinity of the Ministry of Interior, forcing all the vehicles driving along Reunion Street to turn back and yelling "down with communists." They then went to Paul VI Street, where they forced street vendors to go home and people in charge of stores to close... [corrects himself] or rather, to lower their iron curtains. [passsage omitted]

We have Mobile Unit 6 out in the streets of Port-au-Prince. How has the situation evolved Mobile 6? Tell us what things are like right now.

[Reporter] [Passage omitted] *After the big panic that arose in downtown Port-au-Prince between 1230 and 1300, the streets of Port-au-Prince are now empty. In the areas through which we passed—Centre Street, Pavee Street, Grand Street, and Casernes Street—are empty. All the stores are closed.* [passage omitted]

We know this situation arose after a number of armed men in a car began circulating in Port-au-Prince, getting calmly out of their car, brandishing the heavy-caliber weapons in their possession, and making everyone close the doors to their stores and obliging the people in the streets to run and dart in anywhere they could for shelter. [passage omitted]

Certain people we contacted told us that there have been tracts circulating out in the street since yesterday; tracts in which these men warn all merchants, industrialists, and the population in general to take precautions because they would be taking destructive actions sometime between Thursday and Friday. This is what several people who saw these tracts told us.

Meanwhile however, we have heard that policemen from the Investigations and Anti-Gang Service have arrested

four of these men who were sowing terror in the streets of Port-au-Prince. We contacted the Fourth Company, which told us that they have been alerted to the situation and that they have already put different police units out into the streets to patrol; but they do not yet have any information as to whether or not the police have been able to capture these bandits. [passage omitted]

We will keep you informed. This is Mobile Unit Six. Thank you, studio.

COH's Cameau Reacts to Disturbances in Capital

FL2408164790 Port-au-Prince Radio Antilles Internationales in French 1730 GMT 23 Aug 90

[Italicized passages in Creole]

[Excerpts] We are receiving reactions [to the panic in downtown Port-au-Prince on 23 August]. The first is from COH [Haitian Workers Committee] leader Idli Cameau, who speaks of complicity.

[Begin Cameau recording] *This destructive action that just occurred downtown, in the vicinity of Casernes Street and on Grand Street and Pavee Street, once again shows the agreement, alliance, marriage, ties that exist between the Zenglendo and the heads of the forces of order.*

While these men put out tracts saying that they are ready to take many other destructive actions, despite all the efforts the Haitian people have made to be able to defend themselves.... [changes thought] Article four of the Universal Declaration of Human Rights says everyone should defend himself any way he can. The forces of order, however, do not want people to defend themselves. The forces of order want the field to remain clear to allow the Zenglendo to operate without constraints; and they set an example by allowing the Zenglendo to disrupt the Confederation for Democratic Unity [KID] demonstration [in front of the Law Courts, a demonstration disrupted by alleged partisans of Roger Lafontant]. [passage omitted]

In view of this situation, COH supports fully the decision of the [U.S.] Congress and of everyone who is opposing the military aid that they want to give Haiti, because that aid is going to be turned against the Haitian people. That aid is going to be used to destroy the budding Haitian democracy.

COH also supports everyone who is making great efforts to see how they can fight all these destructive actions.

In this connection, COH asks the Provisional Electoral Council to give proof of its good will and make the same gesture it made in July and August 1987, when such destructive actions were occurring, and (?suspend) the electoral preparations because already on Saturday, one should have an idea of what one's Sunday is going to be like. The Zenglendo are not about to give anyone a break. All the biggest actions the Zenglendo have taken have been very near police posts, the general headquarters, and the National Palace because they enjoy great complicity with and are very close to the people who should be maintaining order for the Haitian people. This is Idli Cameau of the COH. Thank you. [end recording]

MDN, PUCH React To 23 Aug Panic in Capital

FL2408170390 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 23 Aug 90

[Excerpts] Several leaders have reacted to the attack on the population of Port-au-Prince at midday today by armed individuals. Mobilization for National Development [MDN] leader Hubert de Ronceray says his party is against such acts of violence, which cannot solve the nation's problems. [passage omitted]

Mr. (Joe Brasette), a member of the general secretariat of the Unified Party of Haitian Communists [PUCH], thinks this act of violence was meant to intimidate the population, by demonstrating what the population can expect later, during the elections. This is disorder caused by certain sectors in preparation for another 29 November [1987 election day massacre]. (Brasette) also thinks the police are not doing their job properly, if killers can attack the population in broad daylight right near a police post. [passage omitted]

(Brasette) added that such acts of violence show that proper conditions for the population to go to elections do not exist. However, he does not think the population should just stand by passively and allow the sectors that are against change to operate. The population should react, so as to manage to put another alternative into power. [passage omitted]

That was how things were in the streets of Port-au-Prince. We interviewed certain political leaders by telephone to obtain their opinions on what just happened.

We must say that the police say they have caught two of these citizens. While awaiting a press release containing information on these two citizens—their names and other information that the public would like to have.... [changes thought] Meanwhile, police patrols this afternoon continue patrolling the streets of Port-au-Prince, where everything seems to have calmed down.

People's Alliance 'Might' Demonstrate Again

FL2408162390 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 23 Aug 90

[Excerpts] People's Alliance says it will demonstrate again, if the demands it made during the [21 August] demonstration are not met, to demand that Mrs. Ertha Pascal Trouillot resign as chief of state. They also said, however, that the next time they hold a demonstration they are not going to allow any other sector to come and use them to yell: Down with the Electoral Council, Down with the State Council, Down with the press, and so forth. Let us listen to [reporter] Jean Joseph Sanon.

[Sanon] People's Alliance, the organization formed a month ago that called for the 21 August demonstration

that began in Cite Soleil, wishes to inform everyone that the demonstration was against the high cost of living, extreme poverty, and the Executive; and that they have nothing against political leaders, the Group of 12, or the State Council. They say they belong to a number of neighborhood committees from the Cite Soleil and Delmas areas. If anyone used their demonstration for his own ends, they warn him not to do so again. [passage omitted]

People's Alliance said the [21 August] demonstration is just a beginning. If they do not obtain satisfaction regarding the high cost of living, they are going to take to the streets in the coming days to simply demand that Mrs. Trouillot resign.

Seven Parties Ask CEP To Suspend Activities

FL2408202390 Port-au-Prince Radio Metropole in French 1600 GMT 24 Aug 90

[Excerpts] Seven political parties that are members of the Assembly for Concerted Action [AC] have asked the Provisional Electoral Council [CEP] to suspend electoral activities due to the rapidly deteriorating political situation. In a letter addressed to CEP President Jean-Robert Salalat, these parties say they feel that in light of the State Council's veto last 15 August censuring the executive's policy, the executive must resign. [passage omitted]

Further on in their letter these AC parties say: You will thereby be taking into account the mobilization underway by different components of the civilian society and political organizations and parties against the holding of elections under Mrs. Ertha Pascal Trouillot.

Among the signers of this letter are the leaders of the National Agricultural and Industrial Party, the National Congress of Democratic Movements, and the Unified Party of Haitian Communists, respectively Louis Dejoie, Victor Benoit, and Rene Theodore.

Jamaica

Curfew Imposed in Kingston To Stem Gang Violence

FL2508154690 Bridgetown CANA in English 1523 GMT 25 Aug 90

[Text] [Dateline indistinct]—Jamaica police have imposed an eight-hour curfew on sections of the capital, Kingston, which have been plagued by gang violence over drugs and illegal arms in recent months. The curfew in sections of western Kingston was announced on radio and TV here and went into effect on Friday, covering the period 10:00pm to 6:00am. It is the latest move by the security forces to fight the upsurge of violence in the capital, which has claimed more than 400 lives this year.

Police estimate that some 50 people were killed in gang violence and criminal activity in some troubled communities in the city over the last six weeks.

The police announcement gave no reason for the introduction of the curfew and did not say if any weapons had been seized or persons detained. The statement from the police information centre said:

"Excepting for persons employed in the essential services with proper identification, no movement will be permitted within the specified area during the hours of the curfew and no citizen in the area named will be permitted on the streets or allowed to leave or enter the area.

"Any person who violates the terms of the curfew will be arrested forthwith and upon summary conviction before a resident magistrate may be liable to a fine not exceeding J1,000 dollars or to imprisonment with or without hard labour for any term not exceeding twelve months."

The curfew is the first in Jamaica since September 1988, when under emergency regulations, movement was restricted in certain areas to prevent looting in the aftermath of Hurricane Gilbert.

Earlier this month the government reintroduced the Suppression of Crime Act, which gives the police sweeping powers of arrest and allows for joint police and army patrols.

Costa Rica

President Expresses Support for U.S. President

PA2508125790 San Jose Radio Reloj in Spanish 0134 GMT 25 Aug 90

[Text] President Rafael Angel Calderon Fournier has reiterated his support for the firm and decisive position of U.S. President George Bush regarding the Middle East conflict.

Calderon Fournier said that the free world is firmly defending itself, and evidence of this is the stand taken by President Bush, given the violations being committed by the Iraqi president against Kuwait and the diplomatic missions accredited in Kuwait.

President Calderon Fournier emphasized that the U.S. President is facing someone who is jeopardizing world peace. The president of the Republic described the Iraqi president as a madman for invading Kuwait and closing the diplomatic missions in that country, an act that is a threat to world peace. He also said that the U.S. President is being firm to guarantee peace and tranquillity for all mankind.

El Salvador

Economy Minister on Effects of Oil Crisis

PA2408164290 Hamburg DPA in Spanish 1536 GMT 24 Aug 90

[Text] San Salvador, 24 Aug (DPA)—The Salvadoran economy minister announced today that countries in the Central American region will inform Mexico and Venezuela of the effects that the oil crisis will have on the region, and will request preferential treatment when they purchase crude in order to avoid destabilizing the region's economy.

Salvadoran Minister Arturo Zablah held an emergency meeting on 23 August with his regional counterparts and the energy and mines ministers. The meeting took place at the Salvadoran airport, where the ministers agreed to draft a document that will be submitted for approval by the presidents, who will present it to the Mexican and Venezuelan Governments, Zablah said.

The Salvadoran economy minister underscored that El Salvador is making every effort to avoid transferring the costs generated by this crisis to the consumers of gasoline, diesel, and other products, even though the latest shipment of crude to El Salvador cost $28 per barrel or, in other words, $4 more than previous shipments.

Government Vows To Continue To Seek Peace

PA2408230690 San Salvador Radio Cadena Sonora in Spanish 1800 GMT 24 Aug 90

[Communique issued by the Presidency's Information Secretariat in San Salvador on 23 August]

[Text] The Salvadoran Government, commenting on the recent meeting within the dialogue process held in San Jose, Costa Rica states the following:

1. The document submitted by the FMLN [Farabundo Marti National Liberation Front] at the aforementioned meeting constitutes, in political terms, a regrettable setback in its stance. In submitting the document, the FMLN has tried to create a stalemate in the dialogue process for the clear purpose of preventing specific results from emerging from the negotations. The FMLN is also trying to make the public believe that the process is not moving in the right direction and that the government has not given specific, clear, or unequivocal responses to the FMLN stance on the different topics agreed upon in Caracas, Venezuela, including the issue of the Armed Forces.

2. By creating a setback with its document, the FMLN seeks, among other things, to foster among the citizens a negative attitude and a feeling of frustration. By hampering the signing of agreements and quantitative advances in the dialogue process, the FMLN seeks to mount a propaganda effort that will enable it to continue its violence and terrorism and to not comply with the recently signed agreement on human rights.

3. Despite the FMLN's attitude, the dialogue process will continue in September in the search for a political solution to the conflict.

4. The Salvadoran Government reiterates the in-depth positions it has submitted on the different topics contained in the agenda, including the one related to the Armed Forces. Our document contains serious and specific answers that constitute a step forward in the democratic process, with the sincere spirit that final agreements should be reached as soon as possible to bring an end to the fighting. The spirit of the government stems from the realization that the Salvadoran people deserve an end to the violence as soon as possible, and that the agreements to end the fighting should come as soon as possible.

In this respect, the FMLN's obstructive attitude of adopting intransigent stances that constitute clear setbacks to earlier progress frustrates the wish of the people who want the violence to end and who want verification of the end of the war to be carried out immediately. The Salvadoran people must realize that the government will continue to exert every effort to find an end to the fighting through logical, reasonable, and consistent stances, as the people demand, to consolidate peace and democracy in El Salvador. The government again announces its unyielding intention to continue to seek, through a process of dialogue, an overall and final solution to the conflict, and thus fulfill the people's desire for peace.

FMLN Reportedly Destroys Two Army Helicopters

PA2408181090 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Aug 90

[Text] We have just received information concerning the helicopter or rather the two helicopters damaged in Chalatenango on 23 August by the FMLN's [Farabundo Marti National Liberation Front] antiaircraft forces; one helicopter was damaged in Cuscatlan Department, and the other in the heroic and invincible Chalatenango Department.

Our first bulletin says that on 23 August, between 0730 and 1100, FMLN guerrilla columns sustained clashes with troops from the Bracamonte Battalion in Guarjila, San Jose Las Flores, Chalatenango Department. During these clashes the FMLN inflicted 17 casualties on the Bracamonte Battalion.

While these clashes were under way, FMLN antiaircraft forces opened fire on and damaged a helicopter that was providing support for the Army troops. This made a total of 17 casualties and provided more scrap iron for Air Force Commander General Rafael Villamariona.

We must also report that on 23 August FMLN antiaircraft forces ambushed a UH-1H helicopter that was supporting Bracamonte Battalion troops in Los Masariegos Canton, jurisdiction of San Jose Guayabal, Cuscatlan Department. The FMLN opened fire on the helicopter with RPG-7 and machine guns. The helicopter left the area and landed in Montepeque Canton. Our comrades withdrew without any problem whatsoever. Our greeting to all of the antiaircraft forces in Cuscatlan Department and the heroic and invincible Chalatenango Department that destroyed more scrap iron belonging to Gen. Villamariona.

Onward, fighters of the FMLN, to conquer a fatherland without military oppressors.

USSR Interested in Supporting Solution

PA2508204690 Paris AFP in Spanish 1859 GMT 25 Aug 90

[Text] San Salvador, 25 Aug— Yan Burlliay, Soviet assistant secretary for Latin American affairs, [name and title as received] said in San Salvador today that the Soviet Union is interested in supporting a negotiated solution to the Salvadoran conflict and the armed confrontations in the Central American region.

Burlliay, who arrived on 23 August for a two-day visit, is the first Soviet official to tour El Salvador officially.

In brief remarks to local reporters, Burlliay explained that the main reason for his trip is to get first-hand information on the Salvadoran Government position regarding the talks with the Farabundo Marti National Liberation Front (FMLN).

During his stay in San Salvador, the envoy from Moscow met with President Alfredo Cristiani, a Salvadoran congressional delegation, and Foreign Minister Manuel Pacas.

The official arrived in the country on 23 August from New York and will leave for Costa Rica today.

In addition, a delegation made up of six European deputies has been visiting El Salvador for the past two days to find out about the country's situation.

The members of the European Parliament from The Netherlands, Belgium, Italy, and the FRG met with President Cristiani, representatives of the Legislative Assembly, the Catholic Church, and the top military command, as well as with political and labor leaders.

Jesuit Priests Accuse Soldiers of Attack

PA2508220190 San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Aug 90

[Italicized passages are recorded]

[Text] Jesuit Priests Nicolas Alvarenga and John Cortina have charged that soldiers fired on the vehicle in which they were travelling. This incident took place this past Monday in Guarjila, in northern Chalatenango Department.

Father Alvarenga carries out his pastoral functions in Arcatao, and Cortina in San Jose las Flores. Father Alvarenga has deplored the attack by soldiers with painted faces.

[Alvarenga] *At about 1300, we were in the community's dining hall. We then began to hear shooting. The fact that all the shots had the same sound and were coming from the same place and the fact that there was no response to this shooting caught our attention. However, we did not pay too much attention to this. From the dining hall, we went to the residence of the nuns. When Father Cortina stepped out of the vehicle, there was a shot that hit approximately one meter away from where he was. He then walked rapidly to the nuns' residence and was surprised to find the nuns on the floor to escape the bullets that had been fired on their residence a few minutes earlier. We found seven bullet holes in the house and picked up two bullets that were on the floor.*

Father Cortina returned to the vehicle. We quickly drove to the community store, which was across the street, and we heard more shots.

Then there was silence and no more shooting. We went to inspect our vehicle because before arriving we had felt a heavy impact on the car. We thought that the car had been hit but did not realize where because we were very nervous. Then we parked the car in front of the store and after a period of silence—without any shooting—we went to inspect the car. Then the shooting of the vehicle and the area in which we were resumed. We hit the floor immediately. We waited a while and then tried to inspect the

vehicle once more, but the firing began again. We ran for safety and again waited for a long time. There was no shooting, but this time we heard some shooting from somewhere else, further away. As we approached the vehicle, shots were fired again and we had to leave. The three times we approached the vehicle we were fired on. We did not hear any shot being fired in response to the shooting from the same place, and the shots made the same noise and the same echo. This caught our attention. I believe that a sharpshooter was waiting for us to step out in the open.

Father John Cortina confirmed what Alvarenga said:

[Cortina] *The impact on the vehicle, when the vehicle was moving, made a big noise. The roof was hit. It was a great impact. We knew the vehicle had been hit but did not know where. We were amazed to find that the bullet entered the roof right over the driver's head. After determining where the bullet left the vehicle and tracing the trajectory of the bullet, we established that it had passed some 10 or 15 cm from the head of the driver.*

Our impression, and we agree with Father Alvarenga, is that we were fired at—that the shots were aimed at us. There was no cross fire at all. The spent shells we found in the residence of the nuns and in other houses of the community were identical but larger than the shells used by the Army and larger than the shells of the M-16 rifle—which is the one the Army uses.

I cannot tell you what caliber bullet it was, but it was larger, and they were identical. Apparently, these shells were fired by arms that are more powerful and had a longer range, so we can say with some degree of certainty that it was a sharpshooter's weapon.

It was a small group of about six or eight members of the Armed Forces whose faces were painted. They were in a place called La Vueltona, right under the hill. Based on the angle of the shots made against us, those who had climbed up the hill or fellow soldiers who were already on the hill when we passed by could have fired them. We had passed by about half an hour—rather 15 minutes—before the shooting began and half an hour before the attack against us. I believe that it is undeniable that it was members of the Armed Forces who attacked us.

Father Nicolas Alvarenga said that this attack was aimed against the church, which is carrying out difficult work to help repatriated people in this tense area of Chalatenango Department:

[Alvarenga] [Words indistinct] *and the vehicle we were traveling in is well-known there in Guarjila. They fired at us [chuckles]. I believe that they were specifically aiming at us. The fact that they directly fired at the nuns' residence captures my attention. It seems that this was intentionally aimed at the church and the clergymen.*

[Cortina] *Yes, Father Alvarenga is right. Our vehicle is known to people in the area. All our vehicles are white; as Monsignor Eduardo Alas said, the church has white vehicles to indicate neutrality. Our vehicle is known to the people because we drive about the area in it. I believe that any person who fires at our vehicle knows that he is firing at a church vehicle.*

I believe that firing at us was no accident. Some time ago, a group of soldiers from the Bracamonte Battalion said in the town of San Jose Las Flores that they would suck up the blood of priests working in the area. It seems that there is an aversion against anything having to do with the work of the church or teaching of the gospel. It seems that there is fear of our work and that they believe that the work of teaching the gospel is the enemy's work—the Armed Forces' enemy.

Cortina suggested that these incidents are solely aimed at Jesuits. On 16 November, six Jesuit priests, their maid, and her daughter were murdered by soldiers:

[Cortina] *I would say that this attack was aimed at the church. Now, given the fact that we are Jesuits, I could perhaps say that they want to continue inflicting blows against us Jesuits. Perhaps they are not against me as an individual, but me as a Jesuit.*

These statements were made to reporters during a ceremony to mark the second anniversary of the resettlement of Arcatao, Chalantenango Department.

Arena Leaders Reject FMLN 18-Point Proposal

PA2508173290 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Aug 90

[Text] Major Roberto D'Aubuisson has described the 18-point proposal presented by the FMLN [Farabundo Marti National Liberation Front] in San Jose, Costa Rica as a document lacking in seriousness. He said that it is a strategy that in no way benefits the country's pacification process.

D'Aubuisson said emphatically that the insurgents should take advantage of the opportunity the government is giving them to participate in El Salvador's political life.

[Begin D'Aubuisson recording] The proposal they presented is quite illusory. The points in the proposal even contradict one another. In point one they refer to the dissolution of two Armies, and further down they say that the Atlacatl Battalion and the [word indistinct] must be dissolved, when these are parts of the Army.

More than contradictory, the document is ridiculous. It was, more than anything else, a means of stalling because of the internal struggle that is being waged by the FMLN's rank and file. Ever since the FMLN signed the human rights agreement, we have known, and they have never denied it, that they are having quite a few internal problems.

The government honestly and sincerely wants to achieve peace. The Salvadoran people are extending a friendly hand to them, and the government is offering them a

silver bridge. Come gentlemen, end the terrorism and endless murders. Come join civilian life. [end recording]

Also, for Armando Calderon Sol, president of Arena [Nationalist Republican Alliance], the presentation of these 18 points at the negotiations in Costa Rica showed the FMLN's incoherence and reflected the internal schism that exists within the organization.

[Begin Calderon Sol recording] To come up with a proposal when a proposal had already been presented, and to come up with a counterproposal and to even back down at the negotiations shows that they are not serious. In fact, they have proven that if they say one thing now they will say something else tomorrow. I do not believe that they are serious; they have failed to make a statement as a monolithic organization, and they are showing that there is a schism within the FMLN. Those who are participating in the negotiations are not true representatives; if they were, they would maintain a coherent position. To change their position now leaves a lot to be desired. It also shows that there are divisions within the FMLN, and that there are a variety of positions within that organization that are hindering the Salvadoran negotiations and dialogue process. [end recording]

Nevertheless, the two Arena leaders agreed that the government has received widespread support for continuing the peace talks, and that the first agreements on the military issue will depend on the FMLN's flexibility

Vargas Describes FMLN Proposal as 'Setback'

PA2608161390 San Salvador LA PRENSA GRAFICA in Spanish 25 Aug 90 p 4

[Text] Salvadoran Colonel Mauricio Ernesto Vargas has said that the 18-point proposal on the Armed Forces presented by the FMLN [Farabundo Marti National Liberation Front] during the most recent dialogue meeting represents a change in strategy but not a change in plans.

Col. Vargas said: "The contents of the proposal are a setback for the peace process because they go back to problems that were overcome years ago.

"Their proposal seems to be completely illogical, especially if we consider the political and military situation and the atmosphere that prevails both inside the country and abroad."

Vargas said that "this proposal is the reaffirmation of the FMLN's strategic plan, which we have been talking about. We must remind you that the FMLN does not usually alter its plans, but instead rearranges them by exaggerating proposals. This exaggeration then allows the FMLN to yield in some areas and gain concesssions in others."

Col. Vargas added that the government will maintain its position regarding the FMLN proposal. The government will maintain its political position, its willingness to negotiate, its optimism to reach an agreement, and its willingness to reach an understanding as long as basic constitutional principles are not violated. He added that the impunity issue was one of the most difficult ones and that the characterization of the impunity of the Salvadoran Armed Forces' is limited.

"If we want to delve deeply and seriously into the subject of impunity, we should examine the way in which it is used by all groups within our society, including the FMLN. We think that this should apply equally to everybody, and as a universal principle it cannot be partial."

To conclude, Col. Vargas said: "If within the negotiations we consider and accept the issue of impunity as a foundation of our future society, we should view it as a basically political issue and not as a legal one. In doing so, we would set an example for future generations by controlling and punishing all those who violate the law."

FMLN Announces Release of Five Prisoners

PA2508160290 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Aug 90

[Communique issued by the Modesto Ramirez Central Front of the Farabundo Marti National Liberation Front [FMLN] on 23 August—place not given]

[Text] The Farabundo Marti National Liberation Front reports to the Salvadoran people, the national and foreign press, the international community, and humanitarian organizations that at 1500 on 24 August, we will release the five prisoners of war captured in battles in Encumbrado, Agua Caliente jurisdiction, on 6 August and on the turnoff to Amayo in Chalatenango Department on 14 August.

The names of the prisoners are: Jose Norberto Cristal Ramirez, 24, from Armenia, Sonsonate Department of the Tecana Battalion of the 2d Infantry Brigade; Juan Antonio Reyes Mendoza, 22, from Las Cruces canton, Chalchuapa jurisdiction, Santa Ana Department; Nelson Rafael Castro Nuncio, 19, from Cutumay Camones, Hacienda San Cayetano, Santa Ana Department, of the 2d Infantry Brigade; Daniel Enrique Quejada Guizada, 23, from Pinas Gordas canton, in Santa Rita, Chalatenango Department, of the Azmitia Battalion of the 4th Infantry Brigade; and Nelson Antonio Sanchez Fernandez, 17, from Sabana canton, in San Juan Arriba, in Nahuizalco, Sonsonate Department, of the Azmitia Battalion of the 4th Brigade.

With this gesture, the FMLN continues to reaffirm its compliance with the Geneva treaties and the agreements signed in Costa Rica on human rights, and its absolute respect for the lives of captured prisoners.

We also report that after battles in El Encumbrado, Chalatenango Department, on 6 August, we released two wounded soldiers and a sergeant after giving them first aid. They were turned over to Mrs. Miriam Pineda de Portillo from Encumbrado canton. We believe it is

totally ridiculous for the Armed Forces Press Committee to announce two days later that two of those soldiers were found mutilated and tortured by the FMLN. The people know that the FMLN does not treat soldiers this way. That is why have we issued a call to the press, the International Red Cross, and humanitarian organizations to be present at Encumbrado so that they can learn the truth and unmask the high command.

We also denounce that on 2 August, Comrade Alberto Manzillo, also known as Arcario, was captured by troops of Cayahuanca Battalion of the 4th Infantry Brigade in Las Pilas canton, Chalatenango. He was tortured and paraded through the canton as a means of psychological warfare against the townspeople. The comrade was subsquently killed by three shots from a .38-caliber revolver in a corn field in the canton. This clearly shows the criminal conduct of the Army, which in one way or another violates human rights. Throughout history, this has been been the repressive practice of the Army, police forces, and death squads directed by the Armed Forces High Command.

We also call on the soldiers, noncommissioned officers, and officers of the 2d and 4th Brigades and Military Detachment No.1 not to fear surrender in combat because we will respect their lives as we have done with all other soldiers on other occasions. We want to be clear that the FMLN maintains a sincere willingness about reaching a negotiated solution to the war because we know that the people are the ones who suffer the consequences of the war.

[Signed] Joint Command of the Modesto Ramirez Central Front

23 August 1990

FMLN on Honduran 'Intervention' in Conflict

PA2608161190 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 20 Aug 90

["Press bulletin" issued by the Farabundo Marti National Liberation Front [FMLN] on 18 August—place not given]

[Text] We have learned and confirmed that Salvadoran troops have been present in Colomoncagua and Soloara, located in Honduras, for several days. The Salvadoran troops' presence is due to the fact that along with Honduran troops, they are carrying out a military operation in the border area of Morazan Department.

For several months, there has been a noticeable increase in the Honduran Army's participation in the Salvadoran conflict, either by participating in joint operations or by carrying out incursions into Salvadoran territory. The Honduran Army also permits Salvadoran troops to use Honduran territory to carry out operations against the zones under the control of the FMLN in El Salvador.

In view of the constant FMLN reports about these actions and the many reports by Salvadoran townspeople affected by the Honduran Army incursions, high-ranking Honduran Army officers have denied such reports. Nevertheless, these constant reports increasingly refute the arguments used by the Honduran Army and Government to deny and conceal their support for the Salvadoran Government and their increasing intervention in the Salvadoran conflict.

It must be noted that before President Callejas' inauguration, high-ranking Honduran commanders were already saying that after President Callejas took office, it would be easier for the Honduran Army to provide unlimited support to their Salvadoran Army counterparts.

It would be advisable for the Honduran Government of President Callejas to act more in line with the commitments established in the Esquipulas agreements. Now that the Nicaraguan conflict is over and the Nicaraguan counterrevolutionaries have left Honduran territory, the Honduran Government should not make the mistake of again opening its doors so that another army will occupy Honduran territory as a springboard for its military operations, as the U.S. Army has done.

[Signed] FMLN, 18 August 1990.

Jesuit Rector Urges Investigation of Colonels

PA2508132790 San Salvador Canal Doce Television in Spanish 0325 GMT 24 Aug 90

[Text] The rector of the Jesuits, Father Jose Maria Tojeira, urged on 23 August that the other colonels allegedly involved in the murder of the Jesuits be investigated. Tojeira also disclosed that before information about the Jesuits' murder was publicized, information about it had already been circulating among the Armed Forces.

Tojeira added that it is important to investigate the Armed Forces in order to prevent the contradictions that have become common practice among the military.

[Begin Tojeira recording] I believe that it is important for the Army to conduct its own investigation. I have statements made by a soldier outside of a courtroom. The soldier says that at 0600 or 0615 on 16 November 1989, he heard someone on the patrol car radio say: We have already killed Ellacuria. The soldier insists that he heard this on the car radio.

The soldier added that when he went by a military post at approximately 0620, some soldiers told him: Did you hear that the UCA [Central American University] priests were killed? It was 0620 on the 16th. The press learned of the report at 0650. We learned of the report at approximately 0635.

In other words, even before it was public knowledge, low-ranking soldiers were discussing the fact that the priests had been murdered at UCA. [end recording]

Meanwhile, the Jesuit rector for Central America also described the recent meeting between the president of the Republic, the Armed Forces High Command, the Supreme Court of Justice, and Judge Ricardo Zamora, who is responsible for the Jesuits' case, as positive.

[Begin Tojeira recording] Judge Zamora has been an honest and courageous man throughout this case. [end recording]

Tojeira also said that it is necessary for the Jesuit case to be explained so that the country can finally have peace and justice.

Labor Union Frustrated Over Failure of Talks

PA2508165790 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Aug 90

[Text] The CGT's [General Federation of Workers] leaders have expressed frustration over the meager results of the dialogue that ended on 22 August in Costa Rica. The leaders said they had great hopes for the talks.

[Begin CGT Secretary General Jose Luis Grande Preza recording] We are really concerned because specific agreements have not been reached. We have always said that there is a lack of political resolve to reach specific agreements. [end recording]

This was the CGT's first reaction to the round of negotiations. Grande Preza said that all of the talks have been similar, and this has led to a lack of enthusiasm regarding the the human rights agreement. The agreements, he said, cannot be respected if they are not preceded by a cease-fire. A cease-fire is, perhaps, the solution that might give meaning to future talks.

[Begin Grande Preza recording] To the extent that there are no confrontations, there will be understanding. We must not end the dialogue; we must continue it, but first we must silence the weapons. [end recording]

According to the CGT's secretary general, these talks are very expensive and in the end they are useless or simply used to plan future meetings. To conclude, Grande Preza said that he will send a letter to the United Nations on behalf of the confederation he represents. The main point of the letter will be the urgent need for international peace forces to be installed in El Salvador.

Church Requests Review of Coprefa Role

PA2608213290 Panama City ACAN in Spanish 1711 GMT 26 Aug 90

[Text] San Salvador, 26 Aug (ACAN - EFE)—The Salvadoran Catholic Church today requested a review of the role played by the Armed Forces Press Committee (Coprefa), which it accused of participating on some occasions in obvious attempts to disinform the people.

During today's homily, Gregorio Rosa Chavez, auxiliary bishop of San Salvador, recalled three cases this week in which the Coprefa version did not conform to what really happened, according to investigations by the Legal Assistance Office of the Salvadoran Archbishopric.

The reports by Coprefa are not objective, and the organization has turned into a propaganda instrument, Rosa Chavez said. After the homily, the bishop told reporters that it must be determined if Coprefa is an information or propaganda organization: "If it is the former, then it must make an effort to be objective and be at the service of the nation," the prelate noted.

The auxiliary bishop said that the Catholic Church does not believe in the military campaigns of the Farabundo Marti National Liberation Front (FMLN). It believes "much less in a new offensive" which the rebels have repeatedly threatened to launch to expedite the talks with the government.

"In this decisive stage of our history, let us shout with all our might that neither violence, lies, injustice, lack of liberty, or hatred will bring us peace. We will attain peace with God's help and by demonstrating it in our everyday actions," Rosa Chavez stated.

Navy Calls for Release of Boats in Nicaragua

PA2708033690 San Salvador EL DIARIO DE HOY in Spanish 23 Aug 90 pp 2, 31

[Text] Sandinist Navy units have increased their attacks on and seizures of Salvadoran fishing boats in the Gulf of Fonseca, and several boats that have been forcefully taken to Nicaraguan ports are still in Nicaragua.

Honduran National Navy Commander Fernando Menjivar Campos has told EL DIARIO DE HOY that the Sandinists have 30 boats that belong to Salvadoran fishermen and are now demanding payment of a $510 fine per boat before releasing them.

Menjivar said that both the Honduran National Navy and the Honduran Foreign Ministry have been in contact with Nicaraguan authorities so that the boats will be released without having to pay the fine because it is impossible for local fishermen to put together that kind of money.

The Honduran Government has made similar efforts in the past to secure the release of 40 ships without paying fines, and it has succeeded.

According to Captain Menjivar, territorial waters in the Gulf of Fonseca are not clearly defined. Because of this, Salvadoran and Nicaraguan fishermen are the victims of circumstances. He said: "What Nicaragua considers as limits are not what El Salvador views as limits."

He also said that many Salvadoran fishermen have been the object of seizures and sometimes abuses by Sandinist Navy units, without President Violeta Chamorro knowing anything about it.

The Honduran Navy commander said that the Sandinist attacks increased following an incident in which a Salvadoran Coast Guard vessel stopped a Sandinist boat that suspiciously remained along an imaginary water boundary. That boat had never been seen in the area.

The Salvadoran sailors ordered it to stop and then boarded the boat and searched it. In addition to seven Nicaraguan crewmen, the sailors established the presence of three Soviets who were identified as Captain Vladimir Anecinov; Anatoly Selesisu, a technician; and Ivan Konstantinov. Fishing boat crews usually are composed of no more than seven persons, but this one was composed of 10.

The next day, the crew of the Salvadoran Coast Guard boat CG-10 heard some shooting in the area known as Los Farallones. When the Salvadoran boat got close, the crew saw a Sandinist Coast Guard boat in pursuit of and firing on Salvadoran fishing boats. When the Sandinists noticed the presence of the Salvadoran unit, they sailed to Nicaraguan territorial waters.

The Salvadoran Coast Guard boat later saw 20 Salvadoran boats that had been chased by the Sandinists and that were waiting for the Sandinists to leave the area to pick up their fishing nets and other equipment they had left behind.

Miguel Avila Ventura and Rene Mario Maldonado, from the Lorenita and the Lisseth boats, respectively, have explained how they were strafed by the Sandinists.

They said that there were approximately 80 boats in the area when they were discovered by Sandinist patrol boats that immediately fired on them to make them stop. At least 15 boats were captured. The others fled. They do not know whether or not any of the fishermen were wounded or killed.

The Navy commander said that the seizure and strafing of Salvadoran boats has been going on throughout the year.

He said that in January 12 small boats were seized—nine from Meanguera, which were seized in the gulf; and three from Conchaguita. All the crewmen were Salvadorans, and they were taken to Nicaragua.

In May, Nicaraguan coast guard ships chased Salvadoran boats that were fishing in Nicaraguan waters and captured one of them.

Also in May, Sandinist boats pursued another Salvadoran boat and, after realizing that they would not be able to capture it, they strafed it.

In June, 10 Salvadoran boats were seized in Punta Nata.

In July, the Sandinists captured the boat Angel, which was being manned by Douglas Leonel Reyes and Oscar Rios Escobar who were taken to Potosi, where they remain. Also in July, the boat Abraham and its two-man crew, a father and son, were captured.

Another boat that has been seized is the San Pablo. Another five ships have been captured; their crews are in Nicaragua, and nothing is known about them.

Captain Menjivar believes that President Chamorro does not control these actions because, unfortunately, the military structure remains in the hands of Sandinists.

Guatemala

Venezuelan Envoy Comments on Oil Prices

PA2508182490 Panama City ACAN in Spanish 1657 GMT 25 Aug 90

[Text] Guatemala City, 1 Aug (ACAN-EFE)—The Venezuelan Government has decided to not increase oil prices, because of the crisis in the Persian Gulf, so that Central America will not be affected, Antonio Aveledo, Venezuelan ambassador to Guatemala, reported today.

The diplomat explained that Venezuela would have to consult with Mexico first in order to increase the prices because both countries supply 130,000 barrels daily to the region under the San Jose Pact.

Aveledo does not think Venezuela will modify the supply, the quotas, or the price of crude oil for Central America.

"Venezuela does not feel there will be an oil crisis in Central America because the supply is guaranteed," the ambassador stressed.

He added that his country will increase its crude output to meet international commitments at the rate of 300,000 barrels a day.

Before the invasion of Kuwait on 2 August, a meeting of petroleum exporting countries had been scheduled at Saudi Arabia's initiative, but nobody expected Iraq not to participate, he said.

Regarding Guatemala, the Venezuelan diplomat said that any eventual increase in the price of oil and oil by-products would have to be the subject of direct negotiation.

According to the Economy Ministry, this country purchases 4,250 barrels of oil a day from Venezuela.

Political Parties Choose Presidential Candidates

PA2608161290

[Editorial Report] Guatemala City EL GRAFICO in Spanish on 18 August carries a 700-word article on page four on the National Front for Change [FNC], a leftist-democratic organization, and its decision to support the political platform of the Union of National Center, UCN, because "it represents the sentiments and wishes of the people." During a press conference, the FNC announced its decision to support UCN presidential candidate Jorge Carpio. The article adds that the FNC,

which stemmed from the Guatemalan Christian Democracy [DCG], criticizes "this party and its leaders because they cheated the trust and faith" that Guatemalans entrusted them with in 1985.

Guatemala City PRENSA LIBRE in Spanish on 19 August carries a 225-word article on page two on the official announcement of the coalition between presidential candidate Colonel Luis Ernesto Sosa Avila and vice presidential candidate Luis Eskenasy, the National Advancement Front, FAN, and the National Liberation Movement, MLN. The report quotes FAN Secretary General Abundio Maldonado Gularte as saying that the only thing they will ask when in power is "to teach all Guatemalans to read and write" so that they may have a better life, because 66 percent of Guatemelans are illiterate.

Guatemala City EL GRAFICO in Spanish on 20 August carries a 250-word report on page six on the coalition of the Democratic Socialist Party, PSD, and the Social Christian Party of People's Alliance 5, AP-5, and the candidates for president Rene Leon Schlotter and for vice president Aracely Conde during a national assembly held on 19 August. The article adds that PSD Secretary General Mario Solorzano Martinez and PSD leader Saul Alegria Pinto criticized the government. While Solorzano Martinez was quoted as saying: "I accuse Vinicio Cerezo of being responsible for human rights violations," Alegria Pinto noted "President Cerezo is an accomplice in the violation of human rights because he knows who controls the death squads." The article also reports that Schlotter not only announced his definite resignation from the DCG, but also harshly critized the government's actions."

Honduras

President, Army Chief Issue Joint Communique

PA2508164990 San Pedro Sula TIEMPO in Spanish 24 Aug 90 p 2

["Joint Communique" issued by President Rafael Leonardo Callejas and Brigadier General Arnulfo Cantarero Lopez, commander in chief of the Armed Forces, in Tegucigalpa on 23 August]

[Text] The president of the Republic and the commander in chief of the Armed Forces are issuing the following joint communique for the purpose of denying the improper speculation the has emerged over the last few days.

Official Statement

In the 1980's Central America lived through one of the most difficult times of its history, but at the same time these 10 years will be remembered as the period in which democracy was reaffirmed as the system chosen by our people to govern our own interests.

The entire Central American isthmus has governments that were freely elected by their respective peoples, and we have set an example for the rest of the world by the way the transitions of power have taken place. No political analyst could have imagined or predicted this.

In Honduras, the social, economic, and political contradictions have marked this decade with signs that have uncovered the distressing living conditions in which most of our society lives.

It has also been demonstrated in our country that the majority of the Honduran people have chosen the road of democracy as the best way of solving our internal problems, but we must not forget about our mistaken fellow countrymen who believe that violence is a method that can be used for solving our national problems.

We reiterate that the Honduran Government is a coherent and organized entity with a policy on human rights, which we have pledged to respect and to make others respect, even though violence, which is a thing of the past in other societies, is beginning to show alarming signs in Honduras.

We have faith that the majority of the Honduran people will understand that the economic situation is a huge burden that is getting heavier with today's international problems and will in a direct manner increase the costs and prices of basic products.

Therefore, we want to say that the roads to peace are full of hope, and they are the ones that make the fruits of growth sprout. The roads to violence are only full of the blood of martyrs, and they only yield sour and useless fruits for all.

We will never surrender our human and Christian principles. Our actions are self-evident, and therefore, they are subject to unfair and systematic distortions. We have only one government and through it, we civilians will fulfill our promises made in the political platform that brought us to power. The new Armed Forces will fulfill their commitment to make the military institution an organization with weapons for peace and with strength to promote production for the benefit of the nation's development.

With these principles in mind, we call on our fellow countrymen so that together we can hold a productive dialogue and find the roads for a national agreement that will allow us to build a solid foundation on which the sacred altar of the fatherland should rest.

Tegucigalpa, 23 August 1990.

Rafael Leonardo Callejas, constitutional president of the Republic and general commander of the Armed Forces

Brigadier General Arnulfo Cantarero Lopez, commander in chief of the Armed Forces.

Callejas on Petroleum Prices, General's Remarks

PA2608021490 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 22 Aug 90

[Italicized passages are recorded]

[Text] The government is studying some options to prevent passing on to consumers the effects on an increase in petroleum prices, President Rafael Leonardo Callejas said today. The situation in the Persian Gulf has become complex, and its duration is unknown. This is why we are doing everything that is humanly possible to prevent another blow to the household economy of Hondurans:

[Callejas] *As soon as we learn how long we can bear the situation, we will let the people know. We did not reach a decision on price increases today. That is an option that could be adopted in the future. I want to ask the reporters who are here to avoid misinterpreting me. I want you to clearly tell the Hondurans that there is a pact on prices, but the government is looking for ways to avoid passing to the consumers the increase in prices for as long as possible.*

Out of [amount indistinct] million lempiras allotted for this year, 13 are available from the Petroleum Stabilization Fund, which was created to ease some variations in the international price—but not such abrupt increases. When consulted about the statements by the Armed Forces Commander General Arnulfo Cantarero Lopez on the alleged infiltration of subversives in the military institution, the president said that Cantarero was misinterpreted:

[Callejas] *There is no absolute agreement between what he said and what certain media reported. We have amply discussed Gen. Cantarero's positions. Perhaps the publications exaggerated his statements. The media did not report exactly what he stated. This obviously concerns us because his actual statements are in keeping with a policy that we have been implementing along with the Armed Forces, but the media published something else; something that is much more serious.*

Callejas clearly said that he will fight corruption in his government, and this is why he will wait for an explanation from Edwin Rosenthal, who claimed that officials close to the president offered to settle a debt of his in exchange for money.

[Callejas] *When I arrived at my office I learned that Rosenthal called me. I hope that it has to do with this. I have excellent relations with him. If what he said is true, the officials involved should face legal action and dismissal. I want to know the name of the person who asked Rosenthal for money because I want to enforce the moralization policy of my government.*

Callejas praised the rapproachement policy with popular sectors to discuss national problems. Callejas said that he does not yet advocate the formation of new political parties:

[Callejas] *We have decided to meet directly with labor federations to discuss four main issues: an increase in the minimum wage; privatization; agreement on prices; and amendments to the Labor Code, Agrarian Reform Law, and other laws that those involved in the talks believe must be amended to promote the country's social and economic development.*

As for the political parties, we have decided to allow agreements to be reached at the political level at the Republic's Congress. In our opinion, the topics to be discussed with the political parties have to do with political reforms.

Nicaragua

Godoy Comments on Changes in UNO Council

PA2608014690 Managua Sistema Nacional de Television Network 0200 GMT 22 Aug 90

[Italicized passages are recorded]

[Text] Vice President Virgilio Godoy denied this morning that he was dismissed from his post of president of the UNO [National Oppostion Union] Political Council. He said a project exists to regulate the actions of the Political Council, which will be subject to discussion soon.

[Godoy] *There are two proposals. One states the post of vice president [as heard] is to be held on a rotation basis. That means that the person to hold this job will be elected at certain intervals. The other proposal is to elimate the presidency and retain the post of meeting coordinator, a post that already exists.*

Godoy reaffirmed that some political sectors within the opposition and the government have a campaign against him.

[Godoy] *This campaign takes two forms. The FSLN [Sandinist National Liberation Front] is waging a battle to decide certain things within UNO, using pressure from the news media. On the other hand, we have people apparently close to some spheres of influence of the government who do not [four-second break in reception] within UNO that seem to want the same thing. However, there is no political battle.*

Godoy added that certain government officials feel the post of the vice president is a hindrance.

[Godoy] *However, that post is provided for in the law.*

Party Leader Predicts Changes in UNO Leadership

PA2608201090 Managua Radio Sandino in Spanish 1333 GMT 26 Aug 90

[Text] Godoy's reign in the National Opposition Union [UNO] has ended. Jaime Bonilla, president of the Independent Liberal Party, PLI, has said that the unanimous acceptance of internal regulations that call for all parties to support the government and the elimination of a sole

leadership within the UNO Political Council were the most important agreements reached by that coalition last week.

Bonilla said that the correlation of forces has changed within the UNO, and that in the next few days specific actions will be taken that will lessen criticisms against the government, including measures to improve the administration in various state institutions.

Bonilla was referring to the fact that three important UNO leaders—Adan Fletes, Azucena Ferrey, and Jaime Bonilla—will occupy top government positions, thus ending the confrontation with the Executive Branch regarding an alliance with Virgilio Godoy Reyes.

Joaquin Cuadra Attends Sandinist Navy Ceremony

PA2608012290 Managua LA PRENSA in Spanish 17 Aug 90 p 3

[Text] The Sandinist Navy celebrated its 10th anniversary with a brief ceremony in Bluefields on 14 August. The main speaker was Major General Joaquin Cuadra.

The ceremony, which was held at the Atlantic Naval District base, was attended by representatives of the region's civilian authorities; the Navy high command; and military attaches from the United States, Mexico, and France.

Unlike the anniversary celebration last year, there was no mock naval battle. In his speech, Maj. Gen. Joaquin Cuadra, chief of the general staff, recounted the role played by the members of the Navy since its foundation.

Referring to the current political situation and the role played by military institutions, Cuadra said they can play a "stabilizing role in Nicaraguan society." He added: "This is a decisive historic phase that can lead to the definite consolidation of the democratic regime for which we have struggled, or to a situation of chaos and underdevelopment."

After his brief speech, Cuadra and Maxell Atly, Atlantic Coast regional councilman, inaugurated a new module that forms part of the installations of the Atlantic Naval District.

This base was destroyed by Hurricane Joan in 1988, and the armed forces had to rebuild it.

In the ceremony, Maj. Gen. Cuadra and Lieutenant Colonel Manuel Rivas Guatemala, commander of the Navy, handed out promotions to 18 officers, while approximately 200 members of the Navy watched the ceremony.

Journalists were surprised to see about 20 war-disabled who were invited to the ceremony and who wore shirts from the electoral campaign of Daniel Ortega, defeated Sandinist candidate in the 25 February elections.

They distributed copies of a letter they sent to Alvin Guthrie, coordinator of the Regional Autonomous Government, in which they asked that their pensions be adjusted in line with the inflation rate.

David Sanchez, one of the war-disabled, said the Sandinist and the Nicaraguan Resistance disabled should work jointly to obtain better social benefits.

Panama

Foreign Minister on Agreement With U.S.

PA2508024090 Panama City Radio KW Continente in Spanish 1300 GMT 23 Aug 90

[Interview with Foreign Minister Julio Linares by Mayin Correa on "The Word" program in Panama City—live]

[Excerpts] [Correa] There has been much criticism of the so-called Mutual Legal Assistance Treaty. I do not know if it has been approved or signed, or if it is going to be signed with the United States. It was published in the Official Gazette. As you know, Carlos Lopez Guevara, a statesman and former foreign minister, came to our station and made some criticisms, some of which I recall and will now mention.

He criticized the clause granting the English language preference over Spanish. Another criticism was that banking secrecy would be virtually lost, because the United States, using definitions of crime, which sometimes are the not the same ours, will be able to investigate any bank accounts it wants to at any time. We lose the dignity and sovereignty of our nation.

I also read an open letter published by reporter Mario Velasquez, who makes the same criticism. As you are probably aware, most professional groups have spoken out against this Mutual Legal Assistance Treaty. First of all, could you explain the status of the treaty? It was published in the Official Gazette. Does that mean that it is already an official document?

[Linares] Mayin, I thank you for the opportunity to participate in your program. Before answering your questions—and I am willing to answer all questions, no matter how long I have to remain here—I would like to clarify something. I was most motivated to come on this program by the statements of Dr. Carlos Alfredo Lopez Guevara. I believe that he, as a Panamanian, is entitled to question, dissent, and reject any actions by the Executive Branch or any other branch of the state. Also, he is entitled to do so, not only as a Panamanian, but as a lawyer who specializes in international law. However, he is duty bound to come to any media and be objective and impartial, because people expect someone who is a professional and specialist to tell the truth.

Unfortunately, I must start by saying that in his statements on 21 August, Dr. Lopez Guevara showed a great capacity to misinform. There are two treaties—one is treaty of donations by AID, and the other is a proposal

for a Mutual Legal Assistance Treaty. There is great confusion. Furthermore, on that program it was obvious that you were confused. You did not know if there were two treaties, or one.

As I was entering this booth, I heard you calling it a Mutual Legal Assistance Treaty by which Panama was given banking aid. These are separate issues. Dr. Lopez Guevara, during the time he spoke, even though you several times asked him questions, never clarified that they are two different things, because apparently the intention was to sow confusion.

I believe that Dr. Lopez Guevara, instead of coming here to report to the people, came to collect or to pass to me a bill. I have arrived at that conclusion. You are well aware the he was the first Minister of Government and Justice of the dictatorship. He was one of the dictatorship's ambassadors. He was a treaty negotiator during the time of the dictatorship. [passage omitted]

The treaty was never presented for consideration by the Legislative Assembly. We discussed the treaty and implemented it, by-passing the Legislative Assembly. That is what was said to be harming the dignity, prestige, and sovereignty of the Panamanian state, but that is not so. Let us start from the beginning, Mayin. It involves two legal instruments. One is a donation agreement between the Republic of Panama and AID, whereby Panama will receive the sum of $243,850,000. It was never said on the previous program that that is what Panama was going to receive. In other words, Mayin, saying that we had not fulfilled the tenets of the Constitution, as is falsely being said, or rather we do not share that opinion, even basing ourselves on that assumption, what that agreement seeks is to have Panama receive $243,850,000 and not to turn over the Republic to anyone.

The Mutual Legal Assistance Treaty is something else. That treaty is being questioned. It is being questioned and rightfully so. There are many persons who are really concerned about what the consequences of this treaty might be. It has been a cause of concern that this treaty might bring about the destruction of the Panamanian financial center. This treaty is in the process of negotiation. Therefore, it was the duty of the Executive Branch to listen to all the opinions from all the organizations that may have a lot or a little to say with regard to the treaty, so that criteria can be established, and it can be signed. [passage omitted]

[Correa] We are back with Foreign Minister Julio Linares. He is commenting on these agreements, one of which has already been signed as a condition to receive donations from the United States. What are the conditions established by this agreement to receive donations from the United States? What does the United States want Panama to do as a condition to receive those funds?

[Linares] Lopez Guevara said here that my statements to the Assembly implied that the agreement for the donations did not have any conditions. That is false, totally false. I have always told the truth. I believe I was the first government official to say that this agreement established conditions. I said this before the Assembly. That is no secret. Several newspapers have reported that I said that the agreement established conditions. [passage omitted]

The conditions set, which are mainly administrative, are intended mostly to prevent the corruption and squandering of public funds so rampant in Panama, even when we were ruled by a military government supported by Lopez Guevaras and the Morgans [prominent Panamanian lawyers].

These conditions and measures are being adopted, because, as you know very well Mayin, there was widespread corruption, not only in Panama, but in all of Latin America. Most loans never helped the man in the street or the peasants. Most of those loans and donations were pocketed by military officers and the civilians who backed them.

We are no longer living in the era of petrodollars. Credit institutions are stricter, and if they have stricter requirements to make a loan, they will be all the more strict to make a donation. AID is not willing to give us a cash donation to be pocketed by President Endara, Guillermo Ford as Minister of Planning and Economic Policy, and Julio Linares as Foreign Minister. We do not want that either. [passage omitted]

[Linares] There is talk of two treaties. The first is on registering transactions. The second is on Mutual Legal Assistance. We are really talking about one treaty, the Mututal Legal Assistance Treaty. There are two clauses, not that the treaty must be signed by then, but rather that there is evidence that there is constant progress toward the signing of the treaty. Possibly when the second disbursement is due, and the treaty is not yet completed, the United States will say that we should segregate the two clauses and make a separate treaty, which is the agreement that we should have reached in the first place. However, it is really only one treaty.

On the Mutual Legal Assistance Treaty, there must be constant progress. We are not even committed to signing it. All we need is constant progress. Let us say, however, that if the negotiations are so far advanced that the United States realizes that we do not want to sign it, then what happens?

First, I must tell you that there are some government officials, I might add all of them, who did not like this clause. They did not like it at all.

I was authorized to meet with Ambassador Hinton to eliminate the clause. I met with Ambassador Hinton. He gave several reasons. It was not possible to eliminate the clause. Why? Because he is not empowered to do that. It would have to go to Washington, and at best it would take about seven or eight months, and that would delay the aid. I say at best, because if they say that the clause goes, if would take eight months.

Then what are the consequences of including the clause, as many people say, and as I would have wished from the beginning?

Let us see. If this clause is not included because the United States does not want to include it, there is simply no aid. What is there left for Panama to do? To proclaim to the world that the United States is not giving us aid because it wants to impose its terms and we will not accept them. That would be an alternative. What is the other alternative? To accept the clause. When the time comes, if we do not like the treaty, we do not sign it. If that happens, it is possible that we would receive $130 million, which represents one of the components of the third loan that has to do with the [word indistinct]. Then, we would have already received the $29 million that corresponds to the first part and in that case, we would not receive the second or third part. Then, we can also proclaim to the world that terms are being imposed on the loan. We would do what we can also do now with the advantage that one way we have already received $130 million, but $29 million the other. In fact, since it does not say here that the treaty has to have been signed, it is possible that without the treaty, while it is still being negotiated, we could get that part as well. [passage omitted]

On the Mutual Legal Assistance draft treaty, the position of the United States is to hold treaties of mutual legal assistance, not like Dr. Lopez Guevara said about Grand Cayman and the Bahamas, when he made it seem as if Panama was a different financial center with buildings and people, noting that Panama had a financial center that Grand Cayman and the Bahamas did not have. That is true. This treaty is also being negotiated with Switzerland. I believe that no matter how nationalist one is and no matter how much one loves one's fatherland, one is not going to think that our banking center is far better than Switzerland's or larger than their's. As I understand it, Grand Cayman, the Bahamas, Mexico, Switzerland, Peru, and the Netherlands have all signed agreements with the United States. Then you can see that the U.S. policy is to engage in this type of treaty; therefore, it is logical that it wants to engage in one with us. What is the position of the United States? Doctor Lopez Guevara said a big truth—a big truth, that this treaty will not entail any problem if it is limited to drug trafficking or if it is limited to money laundering. We hope it was limited to drug trafficking or limited to money laundering. The U.S. position is to give the broadest application to that treaty, to cover all the existing crimes and those to come. That is its position. It is true that the treaty can be beneficial for repressing crime at the international level. A broad base, like the United States would want, could harm our interests—it could harm the banking center, and it could harm the financial center that exists in Panama. We are all aware of that. Hence, the concern shown by the Chamber of Commerce, the Banking Association, businessmen, the Bar Association, the Legal Banking Institute, the Maritime Rights Institute, and several organizations that have addressed our office. There is concern and fear, but it is not the government's purpose or mine to destroy the banking center. Nor is it the government's purpose or mine to destroy the financial center. That treaty, which is being taken as a fait accomplit, has maliciously been confused with the previous treaty, making it seem as if the treaty, which is still in draft form, was never submitted to the Legislative Assembly. That treaty has been submitted for consideration by the Foreign Ministry, which in turn has submitted it for consideration by the competent consultative organ, the National Council of Foreign Affairs. [passage omitted]

Treaty Said Not To Be Signed If Harmful

PA2508034090 Panama City LA PRENSA in Spanish 24 Aug 90 p 9A

[Text] Concerning negotiations on the Mutual Legal Assistance Treaty with the United States, Foreign Minister Julio Ernesto Linares has asserted that the Panamanian Government will not accept any treaty if it compromises the nation's interests.

Linares explained that there is some confusion about various matters that are currently under discussion with the United States. The donation agreement does set some conditions on Panama, he added, but noted that they do not apply to the disbursement of all funds, but to one or two payments by the United States.

The foreign minister explained in this regard that the condition is that a legal assistance treaty be negotiated in a satisfactory manner and in good faith, but this does not mean that Panama has to accept a document if it harms our interests.

Foreign Minister Linares stated that work is now proceeding on a draft agreement, the first version of which was negotiated by the Attorney General's Office with a U.S. delegation headed by Michael Kozak, deputy secretary of state for inter-American affairs. The draft has been submitted to the National Council of Foreign Relations. The necessary consultations will then be made with the institutions and associations concerned, and a report will subsequently be submitted to the executive branch.

Endara Sends Letter to Legislative Assembly

PA2608010390 Panama City CRITICA LIBRE in Spanish 20 Aug 90 pp 40, 24

["Open letter" from President Guillermo Endara Galimany to Legislative Assembly legislators; date not given]

[Text] To the honorable legislators of the Legislative Assembly:

The democatic experiment we have initiated is part of the political, economic, and social reconstruction of the nation. This government system demands that I respect the independence of the legislative branch, and I do.

However, as a friend, as a man who participated in the struggles and had his share of tribulations, and as a person who—like you—is responsible for designing this country's future during this period, I want to ask you to consider adopting a truce on public debates concerning the selection of legislative assembly presidents.

Many people in Panama do not understand how parliamentary politics work, and some media sources have promoted discussions that are making situations that are natural in a democracy appear as if they are state problems, even when they are not. Public discussions that involve attacks and recriminations create friction, confuse the citizens, and produce unrest and frustration.

For this reason, I most cordially urge you to continue looking for formulas that will satisfy everybody and to hold as many meetings as necessary with representatives of all the parliamentary groups to overcome this snag for the benefit and peace of mind of the Panamanian people.

I know that the Panamanian people, because of their spirit of freedom, abhor the impositions of the past. They want to see us working harmoniously and with mutual respect to build a better Panama.

With my appreciation and consideration,

Guillermo Endara Galimany

Constitutional President of Panama

Endara Claims Not To Fear 'Coup d'Etat'

PA2508024390 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Aug 90

[Text] President Guillermo Endara has said that he does not fear a coup d'etat and has also referred to Colonel Eduardo Herrera's retirement.

[Begin recording] [Endara] To retire Colonel Herrera was a presidential decision. The problem is that here in Panama we are not accustomed to that. It is something that takes place in other parts of the world and does not cause any special speculation. It was a presidential-type decision that can be made by the president at any time. I do not see why it has to cause such a commotion and lead to so much speculation. It was a presidential decision.

[Reporter] Mr. President, could the student disturbances mark the beginning of a plan to destabilize the country?

[Endara] I believe that, unfortunately, the students are being stirred up. I do not want to make this charge openly, but that is my feeling—that they are being used. The five students who were punished were punished correctly by the competent authorities for the misdeeds they committed. The justice tribunals, entirely independent of the Executive Branch, have maintained that decision. The Executive Branch must respect the decisions of the justice tribunals. If we took to repealing decisions by the justice tribunals, what kind of a state of law would exist here?

[Reporter] Mr. President, what have you to say concerning the statement by Vice President Ford describing the members of the Public Force as faggots?

[Endara] I completely disagree with making statements in that respect.

[Reporter] From the moment that the members of the Public Force are discontent, could they go on strike?

[Endara] I believe that the large majority of the Public Force is very happy, and I will explain why. For the first time, on the occasion of the democratic Republic we began in December of last year, they became regular citizens. They are citizens who work eight hours per day, sleep at home, see their children, are involved in their community, have neighbors, have a family life, and live a life in their community. The uniformed policemen are very happy with their current situation. Of course, like all of us, they aspire to a better status. The way they live now, however, is much better than they used to live during the time of Noriega, when they were confined to garrisons, did not see their wives, did not see their children, and did not have neighbors.

[Reporter] Have differences surfaced between Ford and Arias Calderon in the wake of Ford's remarks?

[Endara] If I have the impression that something is going to happen, I will give all of you a scoop right here. I believe that Arias Calderon and Ford will soon embrace one another.

[Reporter] Does this mean that they have had a clash, or that there is a difference between them?

[Endara] No, what I am saying is that there is going to be a large demonstration of the affection and warmth they profess for one another.

[Reporter] Why is it that at the latest public events, only Endara and Arias have attended and Ford has been absent?

[Endara] Remember that Ford—and I am glad you are asking this question so that there will not be any speculation—right now has the World Bank and the International Monetary Fund missions here, and he is attending to them. That is keeping him very busy.

[Reporter] Mr. President, do you think that the citizens are satisfied with the role the government has played over the past eight months?

[Endara] Look, if in a democracy everyone is satisfied, something would be wrong somewhere. We would have to examine all the Panamanians, not only physically, but mentally. In a democracy there has to be discontentment, because it cannot be that everyone is going to be

content. That is something that does not happen. Discontentment is not manifested only under tyrannical dictatorships.

[Reporter] Is there going to be an attempt to stage a coup d'etat on the part of the Public Force?

[Endara] I am not afraid of any coup d'etat. [end recording]

Herrera on Support for Endara, Other Issues

PA2508152190 Panama City Circuito RPC Television in Spanish 1743 GMT 24 Aug 90

[Interview with Colonel Eduardo Herrera, former general director of the National Police, by an unidentified reporter in Panama City on 24 August—recorded]

[Text] [Herrera] I, who risked the only thing I had, my life, think that I deserved a little more consideration. I say this because when someone retires from the police or military duty, that person is normally recognized—not that I am asking for it.

Although I explained as much as possible, the troops felt somewhat uneasy. People thought something was happening, but this was not the case because everything is normal.

However, I do think it was a mistake and the manner in which I was handled was not very dignified. The president did explain things to me yesterday.

[Reporter] What explanation did the president give you? It seemed that he did not trust you.

[Herrera] He told me that I was retired because of my time in service. On several occasions, when I was asked if I wanted to retire, I said yes. Perhaps it was a matter that was being considered. But I think that they should have waited. Anyway, the president is the chief, and he has the authority to do what he did.

[Reporter] It is being said that the rug was pulled out from under you and that, possibly, Fernando Quezada will not last until Christmas in the post. What do you think?

[Herrera] If we are abiding by regulations, Quezada has a few months until he retires. I think he should agree to retire, just as I did. Let us hope that there will be a ceremony, the way it should be.

[Reporter] As an observer, how do you view the role of this government? What is its future at a time when the situation is a bit tense?

[Herrera] I think that our government needs the real support that the Americans said would be forthcoming once Noriega left. Up to now this has not been the case. I dare say publicly that we have not received the support that we were offered to solve Panamanian problems.

[Reporter] What will you do now, Colonel?

[Herrera] I have some job offers. First, I will take a vacation for one or two months. I do not know, it depends. Maybe I will do as some Jewish citizens do and take what they refer to a big sabath and go on vacation. Later on, I will resume activities just like any common citizen.

[Reporter] Do you think conditions can be created here for a coup?

[Herrera] In Panama?

[Reporter] Yes.

[Herrera] I do not believe that any police officer is thinking of a coup d'etat. I can tell you an anecdote about that. One day a top official came to my office, shut the door, and told me that an unidentified person was planning to stage a coup. I said that that person would not do it because I was going to do it, and I would make the person who told me this the president. Then I asked this official if the people would support us. He said they would not.

I asked this official if the Latin Ameican governments would support us and he said no. Then I asked him what would be the use of a coup. This shows that there will not be any military coups in Panama. Maybe other situations will arise because of the pressure the government is under. This pressure results from the government's inability to solve problems, and this is dangerous.

[Reporter] How do you think the members of the Public Force took Vice President Ford's remarks about them being faggots?

[Herrera] Logically, very badly. Anyone who is called a faggot would not like it if he was not one. However, if he is one he will be happy about it. I know members who were upset about it. However, I think that Vice President Ford has the ability to make amends for it.

[Reporter] Concerning the student protests, do you think using birdshot is the best method?

[Herrera] No, it is not the best method. I believe that talks must be held with student leaders. More direct contact with the students is needed. This incident with the students two days ago was deplorable. Let us hope that the government authorities and the students can reach an agreement to avoid these types of deplorable situations that are no good for Panama.

[Reporter] Do you think that the situation is out of control? Can we say that the government was good for a change but not good enough to remain in power?

[Herrera] I think the government has problems because it cannot solve the country's problems. One problem is that President Endara is working practically with his bare hands.

Report on Herrera Dismissal Questioned

PA2508183590 Panama City LA PRENSA in Spanish 24 Aug 90 p 1

[From the "As of Today" column]

[Text] Efforts have been undertaken to make it appear as if the retirement of the national police chief came as a result of a request that he had made, but information that surfaced later shows that this was not the case. Eduardo Herrera has said that he was surprised by the decision and called it "a lack of courtesy" because it was made when he was out of the country. Herrera's call to his subordinates for "calm" and "prudence" is a greater source of concern. According to him, the news about his retirement had produced "unrest" among his former subordinates. Upon his return to Panama, the former police chief was received by members of the Presidential Security, who prevented a meeting from occurring between Herrera and journalists who were waiting to interview him. The retired police chief has been replaced by an acting police director, and this proves that there was not enough time to find a permanent substitute. These and many other details show that the change was made for reasons other than those involving a voluntarily requested retirement. This, instead of dissipating the legitimate concerns that exist regarding the policy for structuring the Public Force, creates new doubts, misgivings, and mistrust. Worse yet, the failure to produce a credible official explanation undermines the credibility of the most important government officials, who have failed to tell the people they represent the truth.

Acting Police Chief, Calderon Comment on Herrera

PA2508141690 Panama City LA PRENSA in Spanish 24 Aug 90 p 1

[Report by Jose Quintero de Leon and Manuel Alvarez Cedeno]

[Text] Lieutenant Colonel Fernando Quezada, acting director of the National Police, has said that former chief Colonel Eduardo Herrera Hassan's retirement was a normal occurrence and corresponds to a presidential decision, given that the Public Force is under presidential control.

Quezada said that he is ignoring details regarding the matter and that only the president could comment on the topic.

Commenting on his objectives, Quezada said that the most important priorities are the police and honestly trying to increase public security, adding that these things worry him and the community most.

Quezada said he was convinced that good soldiers would become good policemen, and he trusts that in the eight months of transition that change has taken place.

He said he does not believe that the former Panama Defense Forces should be reunited, but that the different services (naval, air, and Judicial Technical Police) should be better coordinated as far as public safety is concerned, because that responsibility should not be attributed only to the police.

Quezada said that the Public Force's subordinate personnel reflect a new, totally democratic attitude, and they have accepted the president's decision without any loss of morale or break in their activities.

Regarding the incidents involving the students, he said that not only the community, but all Panamanians, including the policemen, regret them and that crowd control procedures are being reviewed with the area chiefs because in a democracy one must act according to the law while respecting human rights. Government and Justice Minister Ricardo Arias Calderon has said that the president's decision was made during a conversation between Herrera and Endara.

In that sense Arias Calderon reiterated that one of the great achievements of President Endara's government has been proven as reality and not rhetoric: Civilian power rules.

Arias Calderon said that the policemen have accepted the president's decision and continued their duties "without abuses."

Creating a national police takes longer than a day. It is a matter of sustained development, and for that reason there have been and "will be changes," Arias Calderon said.

The first vice president added that the former director of the Public Force had mentioned his retirement several times, and the time came when it seemed convenient to accept the request. Also, the decision was made after a conversation between Herrera and the president of the Republic." [quotation marks as published]

When asked whether this retirement could weaken Endara's government, Arias Calderon said that "it has been proven that one of the great achievements of the government is not rhetoric but reality, and it is that civilian authority rules."

The Public Force's institutional director Ebrahim Asvat has said that there was indeed a rather light statement from the second vice president, and he regretted that it came from such a high-ranking official. He admitted that the institution feels insulted by that type of statement.

According to Asvat, Ford's statements have definitively affected the Public Force's morale, and "they have even affected me, since I am also a part of the institution, because we no longer have that distinction between uniformed and civilians. We all are civilians."

In reference to Ford's bitter statements, Asvat said that one must be a policeman to know what they are facing.

Yesterday, President Guillermo Endara and the former chief of the National Police met at the Palace of the Herons for at least two hours.

A presidential bulletin issued said that during the friendly meeting Endara urged Herrera to continue serving the country.

The meeting began at approximately 2300 GMT and ended at approximately 0100 GMT.

As Herrera left the palace, he said that "it was just a friendly meeting," and that he did not know whether his retirement had caused desertions in the National Police.

"I have no knowledge of that because since I returned I have been meeting with some friends and have not heard anything about the Public Force," Herrera said.

When asked whether he spoke with Endara about the contrasting opinions regarding his retirement, Herrera said "I have already said everything, and it is not interesting anymore."

Arias Calderon on Democracy, Public Security

PA2508234590 Panama City Radio Ancon in Spanish 1255 GMT 24 Aug 90

[Interview with Ricardo Arias Calderon, first vice president and government and justice minister, during "Today's Topic" program hosted by Ramon Jimenez Velez; place and date not given—recorded; monitored in progress]

[Text] [Arias Calderon] ...of the criminal because it is a loyal commitment to human rights, an inseparable principle of democracy.

[Jimenez] You mentioned that a democratic society can be firm. As you said, the current government is experiencing a transition to democracy after more than 20 years under a dictatorship. However, on various occasions different people have accused this government of being weak. It is a weakness that seems to stem from a lack of understanding within ADO, the Democratic Opposition Alliance, which is currently the ruling group. This is especially so because of incidents that have been occurring. These incidents hint at the existence of a confrontation between two important government figures, the two vice presidents: Government and Justice Minister Ricardo Arias Calderon and Planning Minister Guillermo Ford. Ford harshly criticized national security, and this prompted serious reactions from Christian Democratic Party leaders. However, Ford also criticized others when he said that there are certain sectors that do not want to make a commitment regarding choosing a president for another state branch: the legislative assembly.

The public views this as an apparent friction between the two political parties that obtained the largest number of votes in the past elections. How much friction is there? How much weakness exists in the government? How much lack of harmony can there be between two parties which, as everyone knows, obtained the largest number of seats in the past elections?

[Arias Calderon] I would like to set aside—as I have systematically done—anything that could be an element of personal controversy. I believe that the country needs something else now. It needs a lot of work, a lot of courteous discussions, and a lot of efforts and cooperation. However, I can refer to topics—relating to the conflict you mentioned—that have become issues because of personal statements.

A topic that has emerged is: What comes first? Public security or economic development? I think that it is a sterile discussion. Both aspects are mutually dependent. We need both of them. Just as a lack of public security could be negative for economic reconstruction, a lack of employmment and the prevalence of hunger can be factors that will contribute to crime and a disregard for public security.

Our problem is not to find out which of the two is more important than the other. Our problem is to try to solve both of them at the same time. We must try to solve the public security and unemployment problems at the same time. I do not think it is very productive to spend time finding out the importance of one over the other.

Regarding public security policy, it is a policy that was made from the beginning of this government. The president has approved the details of this policy. It was approved by the cabinet through the unanimous approval of Cabinet Decrees No. 38 and 41 of February. It has also been the subject of public controversy and discussion, unlike a few other policies. I think this policy is showing results; however, they are not seen overnight. The progress of this is gradual. Like any historical development, advances are made at certain moments, stagnation appears at others, and then new advances are made.

I believe that one reason for the existence of crime is our high unemployment rate. However, I am not afraid to admit that the current crime wave does not favor economic reconstruction. These are two factors that are linked and we must try to deal with them at the same time. This is a topic I have wanted to discuss because of its own value, aside from any personal problems that are not that important.

There is another topic I would like to discuss. For the first time, we are experiencing what it is like to have an alliance under a democracy. We have come from a monolithic regime. We spent 21 years under a regime that exercised absolute control. A regime in which the will of a few was imposed on everyone. Therefore, to live in a democratic alliance under a democratic regime is an experience that is very different.

Thus, at times we are shocked by characteristics that are perfectly normal in any democratic alliance under a democratic regime. Some of these characteristics are

public disagreement within an alliance, public disagreement within parties, public disagreement within the government, and public disagreement outside the government but against the government. All this is part of democracy.

An alliance is not the imposition of silence so that only one voice may be heard. There are moments of discrepancies, friction, and tension, but the alliance is maintained because discrepancies are resolved by talking and finding honorable commitments. Frictions are resolved because there exists a strong friendship and because a common goal, in this case democratization, is shared. Tension is dissolved with moments of much unity.

The life of a democratic alliance in democracy is not very different from life in a family. Family unity is not promoted by silence among its members. It is promoted by dialogue and understanding, but it also exists at moments of tension and discrepancy.

I am not afraid of that kind of moment because we share a big goal. You will have to forgive me for taking a little time to speak about this goal because sometimes we cannot see the forest for the trees, Ramon.

If I were asked to describe the government of President Endara, I would say that it is not a transition government—that is, a government that will disappear in a short period of time after having led the country to an elections process that would produce another government. We are not a transition government. We are a constitutional government that has a fixed constitutional period that all of us must respect.

We are a constitutional government for our country's transition from the situation that existed under the dictatorship to the situation that we must build in a democracy. Whenever I speak about this issue, I always mention what I call the four big transitions:

The political transition from dictatorship to democracy. This involves the institutions we have established, new legal structures we have not drafted yet, and new attitudes by those who govern and those who are governed. There is a transition from dictatorship to democracy, and we are marching on that transition.

The second transition, which I have already mentioned, is the security transition from a militarist and monolithic model to a pluralist and police-like model.

There is a third transition. We are discussing it right now, and it is becoming the source of a controversy. I am referring to the economic transition from a statist model that was being sustained by public debts and that produced poverty as a result of growing levels of unemployment and an increased deterioration of social services—the situation that existed when the dictatorship ended—to a new model that must be based on more trust in the market. The new model must be a model whereby national and foreign investments will play a more important role, but not because Panama is getting or not getting loans, but because the debt rate increase must be lower than the growth of the Gross National Product.

The private sector must play a larger role. New jobs must be created as a priority to check unemployment and to provide jobs for the 30,000 students who graduate every year and want to work.

The new economic model must give financial support to the country's social services to stop their deterioration.

We are now discussing the economic transition through the discussion of the document called Strategy of the Planning and Economic Policy Ministry. These discussions should at any given moment result in the cabinet approving, as proposed by the Planning and Economic Policy Ministry, an economic plan containing specific measures that would be presented to the Legislative Assembly or adopted by the cabinet.

This transition is as important as the security transition and forms part of the transition toward democracy.

This is not all. There is a fourth transition, Ramon. It involves the transition of a country that was left internationally isolated, with a jolted sovereignty and with its eventual control of the canal in danger. It is the transition from a Panama that the dictatorship left for us to a Panama that is reestablishing normal international relations, that is going beyond that, and that is thinking about how to establish links with the international community. Will these links be established through the Central American Common Market or through a free trade agreement with the United States? Will it be established with the giant opening in Europe?

This is a country that no longer feels isolated. It is beginning to seek relations again and is thinking about new kinds of relations. This is a country that is beginning to feel the possibility of strengthening its sovereignty and that is beginning, or that must begin, to get ready to fully administer the canal—one of the big tasks ahead of us.

Ramon, you and I and all our contemporaries are experiencing a unique moment in our history. It is somehow similar to the moment of our independence. Sometimes we do not realize this.

Our parents never experienced what we are experiencing, either as an opportunity or as a challenge for success or faliure. If we succeed, our children will not experience this, either. We are experiencing a great transition from a Panama under a dictatorship to a Panama under a democracy. Yet we are aware that the dictatorship was not just a political phenomenon, but also a security, economic, and international phenomenon and that a Panama under a democracy must be a political, security, economic, and international phenomenon.

I can understand that small differences that occur can attract much attention because we are Panamanians and we like gossip. However, let us not lose sight of the great moments in which we are living. We are truly living

through unprecedented times. Let us live fully, facing all these small things without losing sight of our great goal. I feel that in eight months of government, despite all the problems and limitations we have encountered—internally and externally—because of our human faults, we have managed to begin this transition in a surprisingly positive way. Let us not stop halfway.

[Jimenez] Dr. Ricardo Arias Calderon, one final question: In view of what you have said, in view of this new outlook of the situation in the country, and in view of the prevailing rumors and concerns expressed about these democratic-type of arguments, do you feel, as many in Panama and abroad do, that an excess of democracy may actually annihilate democracy?

[Arias Calderon] I do not believe that an excess of democracy can annihilate democracy. Democracy is annihilated when democracy becomes sidetracked. We must understand that democracy is not simply a word to describe everyone doing as he or she pleases but rather a social order and a de jure state in which each person enjoys a maximum of freedom compatible with human solidarity. Democracy is a social order and a de jure state. That is why the toughest times I have gone through as government and justice minister have been those times when I have been asked if we need to take action and make reasonable use of force in the face of disturbances or de facto situations that sometimes take place. Making these decisions is not easy; however, when one is convinced that democracy is a social order of freedoms and a de jure state of freedoms, one realizes that there are times when one has to make these tough decisions precisely because the democratic social order and the de jure democratic state require it. This is what we are trying to do. Many times when I hear criticism that the government is weak, I always ask myself that if we behaved differently we would be labeled as repressive. We need to maintain a clear and firm leadership. I believe we are doing this, even though we may make some mistakes along the way.

Student Protests Resume, Rector Comments

PA2408202590 Panama City Radio KW Continente in Spanish 1952 GMT 24 Aug 90

[Report by Celso Contreras from Via Espana in Panama City]

[Text] We want to inform the citizens that the violence that began three days ago has continued today in various places in this capital. At this moment, Jose Antonio Remon Cantera High School students are blocking traffic on Via Espana near the opera theater. The student disturbances have been gaining in strength.

At noon, Arts and Crafts students took to the streets again and beat up students of Primer Ciclo Panama School because they had not joined their protest.

In addition, we want to add to this report some remarks by Panama University Rector Abdiel Adames, who explained the university's position regarding the incidents that have been occurring over the past two days.

[Begin recording] [Contreras] Are they trying to destabilize the university and the violation of its autonomy through these situations?

[Adames] Yes, we are worried about this because this could result in provocations by individuals who want to destabilize the institution. However, the students' actions have been carried out within a framework of responsibility in the sense that they are not aimed at destabilizing the institution or life in Panama. What they are protesting are actions against comrades. They are involved in acts of solidarity, and there are no other reasons for their actions.

[Contreras] Have you held talks with the leaders of these groups?

[Adames] We always talk with the student groups in this university. Most university groups agree on and participate in the protest actions that are in solidarity with their high school comrades. [end recording]

Student Disorders Continue

PA2508032790 Panama City Circuito RPC Television in Spanish 2339 GMT 24 Aug 90

[Report by David Salayandia; italicized passages are recorded]

[Text] Disorder in the street continued today for the fourth day in a row. Jose A. Remon Cantera High School students joined National Institute students by blocking Israel Avenue in the area of Paitilla.

Once again there were traffic jams, which caused serious problems for buses, trucks, cars, the banking district, and shops. Passing vehicles suffered the consequences. Two Montero vehicles were stoned by the students, causing one of the drivers to fire his gun in the air, while driving past the human barrier.

[Reporter] *Were you stoned?*

[Woman] *Yes, I was stoned.*

[Reporter] *What happened, Lieutenant?*

[Police Lieutenant] *This man drove his way past the barrier by firing some shots.*

In view of this situation, Public Force members in combat gear arrived in the area to try to normalize the flow of traffic. This time there was no birdshot or tear gas, but once the Public Force members arrived, the students withdrew to their school, while the school principal, Constantino Arosemena, tried to quell the student unrest that prevailed at the time.

[Arosemena] *This is not the action of some students. This is something even deeper that cannot be handled by the school principal or all the principals of the area. We are*

simply asking for composure, which the Public Force will maintain; we will allow the departure of all students to their homes.

The students left the school peacefully, but when everything seemed to be returning to normal, a group of Arts and Crafts School students, as well as civilians, met with the rest of the students. That was when the disturbances began, which on this occasion, were accompanied by acts of vandalism.

The most adversely affected area was Via Espana, near the Caja de Ahorros Bank. Pedestrians, car drivers, and shop owners had to employ their own security measures to protect themselves.

[Unidentified man] *...from Remon Cantera High School and apparently, some evil-minded people took advantage of the opportunity to stone nearby shops. We had to defend our stores. The windows of Zone No. 7 Post Office were broken. We have been protecting our stores all day long.*

[Unidentified woman] *We were going home after work. My husband had come to pick me up, and all of a sudden I heard a noise and the doors were shut. After everything had settled down, my husband saw what had happened to the car. According to the man who was guarding the store, students threw stones at our car and another car being driven by a lady over there.*

[Unidentified woman] *They blocked the streets and tried to create disorder, but fortunately members of the Public Force came and stopped it.*

[Unidentified woman] *We were worried because anything can be expected from them.*

During the disturbances, Public Force members arrested students and civilians involved in today's actions. As you can see, dozens of students and civilians were taken to the San Francisco Precinct and then to Juvenile Court.

Major Dimas Espinoza, who is in charge of the precinct, made the following statements:

[Espinoza] *They belong to different schools, some of which do not belong to this area. We have students from the Simon Bolivar School, the Remon Cantera High School, the Arts and Crafts School, the Tomas Gabriel Duque School, the Juan B. Sosa School, and the Munoz Diesel Engine School.*

[Reporter] *Where will they be taken now—to Juvenile Court?*

[Espinoza] *They will be sent to Juvenile Court because they are all minors, and the relevant authorities will take the proper measures.*

This morning, Education Minister Ada de Gordon had said that all schools participating in actions of this type would be sanctioned.

[Gordon] *We will review the situation and make the proper decisions along with other education officials at the national level. Not just the Education Ministry will make the decision, but other teacher associations will participate as well.*

However, the disorders accompanied by acts of vandalism and looting took place today. Now we have to wait for the Education Ministry's response.

[Education Ministry official Bertilo Mejia] *If we let this type of situation take place again, we will be responsible; therefore, we have to come to the rescue of the principle of authority. We have to teach our fellow citizens, especially our students, that we are living amid democracy and freedom, but without libertinism. On behalf of the Education Ministry, I can tell the country that we are committed to observing the decisions adopted by the school principals according to our bylaws.*

While this was taking place, National Institute students said that they were willing to hold talks with the new principal of the school to resolve the conflict. The students were pleased with the appointment of the new principal, Aristides Sanchez.

[Student Rolando Sanchez] *In view of this situation, we are willing to hold talks with the principal. We want to talk to him to see if our problem can be resolved. I am referring to the five students who were expelled.*

The truth is that there have been four days of disturbances and traffic jams that have once again adversely affected local businesses.

Education Minister Against Unrest

PA2508040290 Panama City Circuito RPC Television in Spanish 1730 GMT 24 Aug 90

[Text] Education Minister Ada Lopez de Gordon said this morning that any school causing unrest will be sanctioned. The minister also announced the appointment of Aristides Sanchez as the National Institute's new director.

[Begin recording] [Gordon] He will take office on 27 August.

[Reporter] [Question indistinct]?

[Gordon] No, Rector in Charge Professor Nidia de Ochy was previously the national school supervisor. She has provisionally filled the post as [National Institute] rector until the appointed rector takes office. The new rector has already been appointed, as well as rectors for several other schools. All will start work on 27 August.

[Reporter] Professor Nestor Villareal has made a series of accusations against the education minister, most of them connected with the National Institute, saying that the education minister has dropped to the same emotional level as the students. What do you say?

[Gordon] I did not decide this; the rector did. These were medium-level decisions. My characteristic is that I always remain calm. In fact, we have tried, and I hope this works, to call for the students to be prudent, because we as teachers should guide our youths and not drop to their level or that of their parents.

[Reporter] Mr. Minister, what steps will be taken if the demonstrations continue?

[Gordon] We shall analyze this and make joint inter-institutional decisions, at a national level, not just at the Education Ministry level. [end recording]

Arias Calderon on Disturbances, Prisons

PA2508042490 Panama City Circuito RPC Television in Spanish 1749 GMT 24 Aug 90

[Text] Dr. Ricardo Arias Calderon, Panamanian minister of government and justice, today said that the government will tolerate every peaceful demonstration. He also said: We will not permit the blocking of streets and avenues. The disturbances of these past few days have impeded the citizens' freedom of movement.

[Begin recording] [Arias] We must prevent the streets from being closed and the projectiles from being thrown. Over the television yesterday, I even saw molotov cocktails being hurled. We have no desire to stifle any peaceful, legal demonstration. According to the Constitution, however, we must prevent violence and protect the rights of the people not involved in these actions.

[Reporter] Is it necessary to use birdshot to control student demonstrations?

[Arias] Just as the acting National Police director has accurately stated, only the minimum possible force must be used, no more. This requires training by the police. I also have said and now reiterate this. We all must be trained. The people in general must learn to demonstrate peacefully and within the law. Those in the government, and particularly the police, must learn to carry out their functions with a minimum of force and the maximum of persuasiveness.

[Reporter] Mr. Minister, what about the three inmates who escaped from El Renacer prison?

[Arias] We do not expect to make any other changes in the National Police for the time being.

[Reporter] What about the jailbreak at the El Renacer prison yesterday?

[Arias] The escape of inmates from several prisons underlines the fact that the Ministry of Government and Justice reported since the beginning of the government. Prisons are too crowded. In all, our prisons can hold 1,500 inmates at the most. Yet the current prison population is more than 3,000. Because of this crowding, it is impossible to have security either for the population or those detained. [end recording]

Panel Discussion Views Economic Strategy

PA2708022990 Panama City Television Service in Spanish 0000 GMT 24 Aug 90

[Panel discussion: "National Strategy for Economic Development and Modernization" with Guillermo Ford, second vice president and minister of planning and economic policy; Roberto Henriquez, representing the Chamber of Commerce; Mario Etchelecu, representing the cattlemen; Rigoberto Dumas Castillero, LA PRENSA reporter; David Salayandia, RPC Television reporter; and moderator Alfredo Molina; in Panama City—live]

[Excerpts] [Molina] Before we begin the actual panel discussion, we would like Guillermo Ford, second vice president and minister of planning and economic policy, to present a short and general summary of the most important aspects of the national strategy for economic development and modernization. This topic has created a great deal of expectation in our country because our country is still not over its crisis. Our nation is still immersed in a democratization and national reconstruction process that requires contributions from all its citizens to build a prosperous fatherland, in which we will all benefit equally. Mister vice president, without further words, we would like you to present the national strategy for economic development and modernization.

[Ford] Fellow citizens: I am very happy to have this opportunity to talk to all Panamanians about a controversial topic—the national strategy for economic development and modernization. The strategy has undoubtedly been controversial, as has been evident during the debates we have held with the country's various economic sectors. We are pleased that these debates were held. President Guillermo Endara had given us specific instructions to hold these debates because we believe in a participative democracy. We felt it was essential to consult on the strategy with all sectors of the country.

The time has now come to present the strategy to the citizens. The consultation process has reached its final phase. The government's executive branch—specifically, the cabinet—will now be able to debate and approve an economic program for our country. I will take this opportunity to dispel doubts that have arisen because of this process. The government has the constitutional and legal authorization to adopt an economic program. The objectives of the program will be achieved through legal mechanisms that will be implemented at a later date. The fact that the program is approved does not imply, per se, any type of legislation. Therefore, after completing the consultation phase, we will enter the phase of implementing this economic program. We will then carry out all the necessary procedures to implement the program, such as presenting bills that will be thoroughly debated by the legislative assembly; submitting cabinet decrees after much debate and careful consideration by the Cabinet council; and issuing administrative resolutions at the ministerial level.

In general, tonight we will talk about the program that is essential for a country that has just come out of a long and dark night after endless travel without any destination; a country with a totally paternalistic state economy that needs to be changed. Despite the fact that we will all have to tighten our belts to achieve well-being for Panamanians, particularly for the poor and unemployed, tonight we will see the real scope of this plan, which greatly satisfies me. As I said earlier, if the plan had been accepted unanimously, it would have been a very suspicious plan. I do not believe that such suspicion should ever be part of a constitutional government. That is why we have appreciated the true value of the constructive—and some not-so constructive—criticism that has led to the drafting of a plan, which we believe is reasonable. Once the plan is implemented, the Panamanian people will be able to enjoy better days. [passage omitted]

We will now ask for the opinion of Mr. Roberto Henriquez, who represents the Chamber of Commerce. Does the chamber support the strategy that has been presented by the national government? Does the chamber believe that the benefits of the plan will be evident in the short term, in view of the fact that the Panamanians have already made enough sacrifices and are tired of being told they must tighten their belts? What do you think of this strategy? Will there be an agreement in creating—once and for all—an economic policy that will generate sources of employment and that will provide food for the poor? When do you think the country will get on the right track, considering that there are still unstable situations in our country, such as violent student demonstrations?

[Henriquez] Let us start by saying that there is something all groups in Panama agree on. All sectors—the government, private, and labor sectors—agree that the model for economic development that we have had up to now is completely worn out. It is worn out and is not meeting the needs of our society in solving the main social problems, such as unemployment and low productivity. The state apparatus is very large, and this has been a burden in the past. Right now, the state cannnot continue in this way.

All sectors agree that we need a new development program. We have always considered that this program that was made public about two or three months ago—and that was prepared by the Ministry of Planning and Economic Policy [Mippe]—is a draft and is not to be taken as if it were the ten commandments. From now on, we must set aside all emotional, stubborn, and personal stands as we consider that the future of our children is at stake.

Now that we are able to do so, we can change the course of our nation's economy and determine the success or failure of this and future generations. We decided to receive, evaluate, and determine the good and bad points of this strategic plan. We decided to do this with constructive criticism and with the hope that the government will be able to absorb the proposals that our sector and other sectors made in the document.

The document contains important and generous elements, such as the organization of public finances; the improvement of public services; and the removal of certain duties from the government that have been inappropriate, such as production. The document proposes the need for turning most of the production activities over to the private sector.

The document also discusses the need to solve the serious problems of the Social Security Fund. It covers certain aspects of natural resources and their preservation. This is so important for a country like Panama, where preserving the canal basin is essential. The document discusses the need for flexibility in labor legislation, but it does so through making changes in other sectors. The document clearly states that the weight of these changes that our economy has to endure cannot fall exclusively on a single sector.

We also pointed out what we consider to be certain aspects that must and can be improved within this strategy. For example, in the field of taxes, the document refers to the need to improve the tax systems. It considers these systems much too complex. It also stipulates that the amount of taxes must be reduced and that the increasing income taxes must be halted at some level.

The document also mentions the possibility of extending payment of the sales tax to professional services. Our sector rejected this, and we understand that the government accepted this proposal. In fact, this tax will not be applied because this country cannot survive any more taxes.

Another topic that the private sector brought up and that we thought should be incorporated into the document concerns the reverted areas. The document does not really discuss these areas as thoroughly as we thought it should. We understand that the government has already accepted our suggestion to discuss this subject in more detail and will shortly present a document on it.

Therefore, we consider the national strategy document to be a good basic document that can be modified; with some modifications, we can prepare a desperately needed development plan for this country. One thing is for certain: The way we are moving, we are not going to solve the unemployment problem, the problem of low economic productivity; and the economic and social problems of our country.

[Molina] Reporter Rigoberto Dumas Castillero of LA PRENSA newspaper.

[Castillero] This question is also addressed to the planning minister. The labor sector has expressed some disagreement regarding this plan, claiming that it aims to make some changes—as the Chamber of Commerce has

noted—in the labor legislation. Members of the Association of Panamanian Industrialists, the Chamber of Commerce, and other associations are wondering the following: During the past political campaign, President Guillermo Endara, Mr. Ricardo Arias Calderon, and you promised to maintain and respect certain achievements won by the workers.

One of these achievements is the Labor Code. There is talk about the need to amend it to ensure that new investments will come to the country. However, how do you reconcile that promise with the need for change?

[Ford] I thank you very much for this opportunity and for your great question because tonight we must speak as honestly and frankly as these very important topics warrant. I must publicly recognize the extraordinary participation of the labor sector, especially during the past five days. There have been frequent, in-depth, clear, and honest meetings with no beating around the bush. The labor sector recognized the need to make an integral contribution to the development plan.

However, in exchange for that—and we understand this—we cannot place the entire burden on a single sector. The sacrifices must be shared. As I express my admiration for the honest position of the labor sector, I must say that we are at the final phase—I am not talking about a negotiation—of what I believe is the conclusion of how flexible the labor sector feels it can be to ensure that so many Panamanians who aspire to an honest and dignified job may find one. I am confident that we will reach an agreement within the next 48 hours. I congratulate the labor sector.

I wish to take this great opportunity to delve into the general scheme of what we are talking about. We have inherited a government, and we will not talk about the disasters of the past. We inherited a huge bureaucracy. The employees are not to blame; we must blame corruption and the narcodictatorship, which increased the state payroll for two main reasons: To win political followers—which is the traditional system of dictatorships—and to foster corruption.

Therefore, we cannot place the burden on public employees, either. It would be irresponsible of us to promise the dismissal of public employees at this time. I have said this before and seize this opportunity to reaffirm this to the country: We have no plan to carry out mass firings of public employees. We will seek efficiency throughout the entire bureaucratic apparatus and all institutions without exception: ministries, decentralized institutions, and state businesses.

We have also decided to privatize institutions because the government had a very particular strategy; it was paternalistic toward employment, and as a state it tried to take the place of the private sector. There is no government in the world—regardless of how efficient it believes it might be—that should produce anything. The government must serve as a guide for private enterprise. As Mr. Henriquez said—and this must be clearly understood—the private sector is an amalgamation of the interests of labor and capital.

If those two important sectors do not unite, there is no private enterprise. This is why I talk about an extraordinary, noble, decent, and dignified relationship between labor and capital.

I also wish to seize this opportunity to say that the national government is aware that it should also make a contribution to this great package, which I call a belt-tightening package; I wish to emphasize this to ensure that there are no misunderstandings in the future. From the very first moment, the national government had already planned to make a significant reduction in the price of fuel and the elimination the hateful fuel clause of the IRHE [Institute of Hydraulic Resources and Electrification], while making clear that this would be contingent upon the absence of a dramatic increase in the price of crude in the wake of the imminent danger of a confrontation in the Persian Gulf.

As part of this great package, we will submit the following for consideration by the cabinet council: the elimination of the IRHE's fuel clause beginning on 1 January 1991; and an additional decrease of five percent in fuel prices for two more years, until a real and effective discount on the rates of about 15 percent is reached.

As for the fuels and their derivatives, the entire world knows—and we are aware of this—that this has a regressive effect on the country's progress because of the high cost charged to consumers and users of fuels and their derivatives. The price of crude that we must import no longer depends on us, and I pray to God that there will be no confrontation in the Persian Gulf. As long as prices do not skyrocket and as long as there is no dramatic increase in the price of oil, we hope to grant a 20 percent discount on the tax that the national government is currently collecting.

As for fuels and derivatives, during the first year—should we be able to carry this out—the central government would be contributing $22.5 million as a result of the efficiency that it would bring about in the various government entities. The next year we would contribute another $22.5, and $22.5 the following year. This involves sacrifices—not from the government—but from the taxpayers, and it will succeed thanks to the correct and honest implementation of the budget. This involves a channelling of those taxes toward the entire productive sector.

There has been much talk about an economic plan imposed by the World Bank, IMF, and IDB; a plan imposed by a host of people. To get rid of any doubts, I will publicly tell you what I said in private to World Bank representatives in Panama: This a Panamanian program that must be implemented by Panamanians. If it fails to fulfill World Bank aspirations, too bad for the Panamanians.

We will not place the dead and wounded in an internal confrontation among Panamanians to obtain a few dollars via credit mechanisms. There has been great understanding on the part of the World Bank, and this is why we have invited all groups to help improve this plan. However, I wish to insist that this program, which is not a law, will be adopted next week by the executive branch, which is the body responsible for implementing it at a later date.

Before we begin to analyze each one of the aspects, it is important that you understand that IRHE, Intel [National Institute of Telecommunications], and Idaan [National Water and Sanitation Institute] will not be privatized. We will ensure the stability of public employees, but in exchange for this, we will demand great efficiency and productivity. We cannot accept the behavior patterns that so far have done nothing more than hamper the real and correct development of these institutions. Everyone knows that IRHE, Intel, and Idaan are often resentful of this, but heavy bureaucracy sometimes makes them unconsciously inefficient, and the state has an obligation to offer efficient services.

As for taxes, the treasury minister is already working on a study to get rid of all useless bureaucracy in Panama. The study involves the elimination of the tax clearance certificate and the simplification of the collection of taxes. However, we will not raise taxes either; as Mr. Henriquez said, there will be no tax increase.

We must modernize the Social Security Fund in order to save it. The Social Security Fund has a $400 million deficit, and if we continue with this attitude of conformity and of trying to cover things up, the Social Security Fund faces the danger of disappearing. We will not allow this to happen. Therefore, we have a great responsibility to make it efficient and to ensure that it will charge what it must. However, we will not raise labor-management contributions to the social security fund either, because we cannot eliminate inefficiency by increasing these contributions.

The government has the obligation—and we are already working in this direction—to ensure that efficiency leads to lower costs. We will not raise taxes and will not raise social security contributions in order to deal with inefficiency and some forms of sinecures in certain institutions.

Then we will experience a new era in which the government, together with the population, will work in a responsible manner toward correcting so many distortions, which is a key word of the economic strategy.

In my humble opinion, the largest distortion is the disastrous situation in which we found the government—for the reasons that I already mentioned. First, the paternalistic state; second, the government's statism. [passage omitted]

[Salayandia] Mr. Minister, the representative of the Commerce Chamber, Mr. Etchelecu of the Cattle Breeder's Association, and you yourself have pointed out the positive aspects of this economic program. Do you think that the implementation of this economic program could have the same or similar results—we hope not—as those observed in the Dominican Republic, Venezuela, Peru, and Argentina, where the people have reacted against the implementation of economic programs? Could the use of the U.S. dollar in Panama make a difference in this regard?

It is true that the business sector is one of the pillars of this economic program. However, do you think it would be convenient to also have a workers' representaive participate in these discussions?

[Ford] First, I think that establishing a consultation process and allowing for criticism of the program—criticism that helped put together the finishing touches—will prevent the people from being surprised. In a democratic government, a respectable leader does not surprise his people. I am not afraid the people will be surprised.

The implementation of the economic program will not adversely affect the Panamanian people. On the contrary, there will not be price hikes or a lack of food. Instead, more job opportunities will be created, and this will activate the economy.

I want to take this opportunity to stress the convenience of the quick implementation of an economic program. As the previous speakers said, after the Republic of Panama overcame its trauma, it was out in the open. Mr. Henriquez has said—this is true—that the determination of Panamanian businessmen and the labor sector began a new process of reconstruction only 45 days after Mr. Endara took office. Renowned economists with great national and international prestige have forecast a six to seven percent growth in the economy for 1990, when last year the economy shrank by 18 percent. I think that we are on the right track.

We also have to point out that the implementation of the economic program in its initial stage during the week of 26 August—after the honorable Budget Commission of the Legislative Assembly approves the implementation of the U.S. economic assistance package—will coincide with the government's $52 million economic project to strenghthen the investment sector and build hospitals, roads, schools; in sum, to improve all economic sectors. This will naturally activate the economy because this money will begin circulating in Panama.

Aside from this, we are going to provide $108 million for the banking sector to enable small, medium, and large enterpreneurs to have access to new credits for up to five years, which would otherwise have been difficult to achieve in Panama.

In addition, after the government lifted the banking restrictions and the banking system normalized—many people forget what has happened in eight months such as the lifting of restrictions on savings accounts in April

and the normalization in July—the deposits in the banking system have increased by $1.5 billion in six months, because there is no danger the banking system will freeze the deposits. The banking system is fortunately working under normal conditions.

We can see on the media that this has activated the concession of loans by the banking system, thereby eliminating the profiteers. Responsible and serious banks are granting loans.

In conclusion, the implementation of the economic program should coincide with the use of other economic resources, which we did not have before, to improve the national economy. We want to foster the economy by injecting extraordinary revenues, which will not be so available in the future. We have to take advantage of this situation to promote economic development.

I think that we do not have to tighten our belts. When I say something, it may have repercussions, so I prefer to take back the sentence of tightening our belts. We have to be efficient and trust each other. There is no better group of men and women with a common destiny than Panamanians. We should take pride in this and rebuild the country together.

[Molina] Mr. Ford, should we interpret your words as an acceptance of the challenge launched by Vice President Ricardo Arias Calderon? What do you think about the challenge launched by Arias Calderon? You both have great responsibilities. You are in charge of the economic aspect, while he is in charge of guaranteeing the security the nation needs in order to work efficiently and preventing a climate of instability, which definitely scares investors. We would like to hear your opinion on this matter.

[Ford] First of all, we must vizualize the problem in its correct perspective. This could lead to a vicious circle. If there is no stability, there is no investment; and a lack of investment can bring instability. What I criticized was the lack of surveillance and a strong hand to prevent crime. I was referring—and I want students to understand this clearly—to crime, assaults, holdups, and murders with AK-47 rifles. I will reiterate this publicly: I am completely against being merciful to a man who kills a woman. My temperament, principles, and Catholic upbringing make me feel that we should not tolerate anarchy in our country when dealing with the phenomenon of crime.

Speaking of challenges between two vice presidents, I believe that they are objective and positive. You pictured the situation very well. Vice President Arias Calderon has a tremendous responsibility, which is to guarantee the country's security and stability in general, and I support him. As second vice president, I support Vice President Arias Calderon in all his efforts. By the same token, he supports Planning Minister and Vice President Ford in his economic endeavors.

Hence, I want to make it clear that when we talk about challenges, people sometimes wonder if there is a confrontation or discrepancy between us. However, he challenges me to carry out actions in the economic field. As a minister, he too will have a right to vote on the economic plan at the state cabinet meetings, just as the rest of the cabinet ministers and I do.

So, as you see, the challenge was a good step. Mr. Arias Calderon very responsibly said to me: Mr. Minister, you have a challenge. We must have a final plan. Bring your final conclusions to the cabinet. I will present them next Wednesday. In the same manner, he answered my challenge, because he made some changes and has made great advancements against crime, so now we are square.

[Molina] We will now give the opportunity to our fellow journalist David Salayandia of Channel 4 to ask the last questions for the members of the panel who are with us here tonight.

[Salayandia] My question again goes to Minister Ford. You referred to various challenges. However, you said that you demand stronger actions from the minister of government and justice, who in turn may say that the economic plan should be implemented in a better way, so to speak. However, the people do not see these challenges as mere challenges, but as political conflicts. Another example of this is the conflict over whether or not there is an agreement on the presidency of the legislative assembly. What are your comments on this?

[Ford] I would like to say this: Panamanians are very suspicious. That is part of our nature; we are very emotional. Thank God we are; we are not fools. However, there are no fights. I want you to understand this clearly. There are none. We cannot let anything or anyone divide the president, his two vice presidents—who are his advisers and closest collaborators—and the rest of the cabinet members. We may have differences and discrepancies, but there is no strife. I am respectful of hierarchy. The president of the Republic has the support of his two vice presidents. Although I may respectfully disagree with the president at times, it does not mean that there is a conflict between us. I want to state clearly that there is no confrontation between Dr. Arias Calderon and myself. We suffered together; the three of us embarked on a struggle for our country's democratization, and as I said, it would be an unforgivable blunder on our part to let people's gossip divide us. Dr. Arias Calderon has my support, and I am sure I can count on his support in carrying out my government actions.

Country Not Planning To Rejoin Group of Eight

PA2608044590 Panama City LA PRENSA in Spanish 23 Aug 90 p 10A

[Text] Foreign Minister Julio Linares has said that Panama does not plan to rejoin the Group of Rio or Group of Eight, from which it was excluded two years ago.

Linares added that "unless they receive explicit orders from the Foreign Ministry," Panamanian diplomats have been instructed not to attend meetings of the Nonaligned Countries Movement for the time being.

It was reported that the seven presidents of the Group of Eight decided in Bogota in March to permit Panama to rejoin the group after the United States announced it would withdraw troops from Panama.

Panama had previously participated in the Group of Eight and the Nonaligned Movement. It was suspended from the Group of Eight due to the political crisis in the country following the removal of President Eric Delvalle. The nonaligned coordinating bureau in New York suspended Panama this year "because of the pressure exerted by Cuba and Zimbabwe."

In addition to Panama, the Group of Eight was formed by Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela. Its origins go back to the Contadora Group.

The Group of Rio or Group of Eight emerged as a subregional organization with the objective of jointly seeking solutions to Latin America's political problems.

Human Rights Group Says Troops 'Harass Leaders'

PA2508235290 Panama City ACAN in Spanish 1845 GMT 25 Aug 90

[Text] San Jose, 25 Aug (ACAN - EFE)—The Commission for the Defense of Human Rights in Central America and Panama (Codehuca) today charged that U.S. troops and Panamanian policemen persecute and harass leaders of Panamanian organizations that defend human rights.

The Codehuca, headquartered in San Jose,, said in its August monthly report that "Panamanian and U.S. soldiers have persecuted and harassed Olga Mejia, president of the National Commission for Human Rights in Panama [Comision Nacional de Derechos Humanos en Panama—Conadehupa], and her former husband, Francisco Donadio."

According to the Codehuca, close to midnight on 4 July (U.S. independence day), a U.S. soldier and two members of Panama's Public Force—all of them wearing uniforms—and three men wearing civilian clothes arrived at Mejia's house, demanding to see Donadio.

"Donadio is not in Panama," Mejia told the visitors who accused her of "hiding" Donadio. They argued they were looking for him because of an alleged traffic violation, the Codehuca report added.

The Conadehupa told Codehuca that from 1 to 3 July, Mejia's house was under surveillance by three unidentified men in a blue Lada, license plate No. 8-26265, and two men on foot. Mejia also said she had received many telephone calls.

A Panamanian publication called EL VIEJO recently published an article by Donadio in which "among other things, mentioned the existence of death squads in Panama sponsored by the Central Intelligence Agency, CIA," Codehuca said in the "Accusations and Solidarity" section of its August monthly report.

Assembly Appoints Magistrate; Session Closed

PA2508141590 Panama City CRITICA LIBRE in Spanish 24 Aug 90 p 24, 40

[Report by Roberto Cubilla]

[Text] Yesterday the Legislative Assembly approved a resolution appointing Dr. Guillermo Marquez Amado as Electoral Tribunal magistrate for the remainder of the constitutional period to replace Dr. Aurelio Correa, who resigned recently.

After this appointment the Legislative Assembly closed the special sessions convened by the Executive Branch. The Executive Branch must now appoint another Electoral Tribunal magistrate to complete its membership. The tribunal's immediate duties are to organize new elections that must be held in December in nine electoral circuits and more than 100 corregimientos throughout the country.

The Supreme Court of Justice has appointed Eduardo Valdes to replace Electoral Tribunal Magistrate president Yolanda Pulice de Rodriguez. Magistrate Aurelio Correa resigned, and the Legislative Assembly has now replaced him with Dr. Guillermo Marquez, former director of the General Consular Ships Directorate. The Executive Branch must now appoint a magistrate to replace Luis Carlos Chen, who also resigned.

The special sessions to appoint an Electoral Tribunal magistrate began on 20 August. After the initial session opened, the Credentials, Internal Justice, Rules, and Judicial Matters Commission, which is headed by legislator Raul Ossa de la Cruz, met to receive nominations. Dr. Marquez was the sole nominee, and the commission proceeded to recommend that the plenum approve or reject his nomination. Yesterday's session closed with the signing of the respective resolution by Legislative Assembly President Dr. Carlos Arellano Lennox, Magistrate Guillermo Marquez, and the Legislative Assembly's secretary general and president of the Credentials Commission.

Editorial Claims U.S. Owes Reparations

PA2708015090 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Aug 90 p4

[Editorial: "Controversies Over U.S. Economic Aid"]

[Text] The Panamanian people are aware of the heated public controversies that have arisen in the last few weeks over the agreement on economic aid signed on 3 July 1990 between the Panamanian and U.S. Governments. The agreement, called "Program For Economic Recovery,"

establishes a series of conditions by the U.S. Government through the Agency for International Development (AID). These conditions, considered unacceptable by several national sectors, have prevented the aid from being granted in its entirety. Every dollar that we get through that agreement will be shackled by the many conditions accepted by leaders of the two countries.

Although the people have realized that Panama must submit to U.S. demands as a necessary condition to receive the donations, they have not had access to the contents of the agreement. The scant information released by the Panamanian Government on the treaties has caused this situation. The agreement was published in the 17 July 1990 issue of the Official Gazette, which has very limited circulation.

Important banking institutions, businesses, industries, and lawyers have expressed disagreement with these conditions. These sectors are opposed to Paragraph C of Section 2.4 of the agreement, which states that there must be: "Evidence that the grantee has reached an agreement with the U.S. Government on the exchange of information on international monetary transactions regarding investigations and procedures on narcotics, and that constant progress is being made toward signing the Mutual Legal Assistance Treaty." That is a previous condition for delivering $42 million for the support program for the national budget. We are not going to get involved now in the technicalities. That is up to experts in International Law. We are basically concerned about the U.S. Government's taking advantage of our economic situation to dictate those demands, and also about our government's yielding to this humiliating situation.

We are not just judging the conditions. The U.S. Government might feel it is fully entitled to demand the conditions that it considers convenient to grant us those donations. It is the U.S. Government's money. What we do not understand is the innocent behavior of the U.S. leaders regarding the crisis in Panama. They are turning into a donation or pittance what should be economic compensation for the damages caused to our country. It would seem, from this position, that the United States is in no way responsible for the crisis in Panama. Just to refresh their memory, we are going to mention several examples that historically commit the United States to the serious situation experienced by our country for several years. We merely have to recall the severe economic sanctions imposed on us for two years; the 20 December 1989 invasion that destroyed much national property; and the looting in the ensuing days as a result of the invasion.

The role played by the United States does not in the least entitle it to turn what should justly be economic compensation through indemnification for the serious damages in our country, into a donation subject to previous humiliating and intolerable conditions. It is most pathetic that high Panamanian Government officials have followed this same line of thought and have yielded to the unworthy position of accepting donations, instead of demanding just reparations for the serious moral, social, and economic damages caused to Panama.

Planning Minister Announces Budget Surplus

PA2608002790 Panama City Radio KW Continente in Spanish 1200 GMT 20 Aug 90

[Text] Only 60 days have passed since the implementation of the national budget and, despite the sardonic smiles of some Panamanians, the national government has achieved a surplus of almost $80 million, Planning Minister Ford said before members of the Chamber of Commerce of Herrera. Our correspondent Celso Contreras has the report.

[Begin Ford recording] The first thing we encountered was the long line of international creditors, who took at the most 10 days to get to Panama after 20 December. They came with their hands outstretched demanding: Pay us. We did not even know the exact amount of the government debt. We quickly summed it up, and it was a total of $5.2 billion, which was the legacy of the dictatorship. We told them that we did not acknowledge making an immediate payment because we did not have the means to do so. We told them that our primary obligation was to attend to the needs of our people, but that we did recognize that enormous obligation on behalf of the nation, although we had not contracted it. We immediately began to draft the first general budget of the nation. After three years of having totally improvised and disrupted management, we managed in only 60 days to submit for consideration by the honorable legislative assembly a budget in the sum of $2.020 billion. The budget was approved in the month of April. This prompted sardonic smiles among Panamanians because sometimes we do not trust in the honesty or versatility of the men and women of this country. I say the smiles were sardonic because I had promised them a balanced budget. This budget represented serious sacrifices from the public employees and the Panamanian people. I say with satisfaction, only eight months into the government, that we have a surplus that exceeds $80 million and, if God helps us and Chinchorro [Comptroller Carles] doesn't get sick, we will end the year with a surplus. With Ruben Dario Carles, the comptroller general of the Republic and a source of pride—unlike the bandits who handled the comptroller's office previously—based on sacrifices and on a carefully balanced and rigid budget, we will obtain at least optimal results in complying with a law of the Republic—the law of the general state budget. [end recording]

Argentina

Armed Forces Reportedly Ready To Go to Gulf

PY2408143490 Buenos Aires DYN in Spanish 1858 GMT 23 Aug 90

[Text] Buenos Aires, 23 Aug (DYN)—Admiral Emilio Osses, Chief of the Armed Forces Joint Staff, today reported that "the Armed Forces are ready to go should the president of the republic decide to send troops to the Middle East.

Osses explained: "Sending military troops is a political decision which must be made by the president of the Republic."

He added: "Several newspapers have reported that the Armed Forces want to send troops. I want to explain that the Armed Forces cannot send troops, they can only be ready," should President Carlos Menem decide to send them. When asked whether "they are ready to go," he said: "the Armed Forces are ready."

Osses made these remarks during the ceremony marking the installation of the Deputy Chief of Staff, Brigadier General Horacio Canestra. These remarks were then officially distributed by the Defense Ministry Press Department.

Asked whether the sending of forces will not imply "a cost too high for the current situation," Osses answered that "any mobilization of forces implies a cost," but added that "the idea is to determine later whether it will be paid by the United Nations or by the country."

Regarding the possible formation of a military contingent should a decision be made to send it to the Middle East, he said that it will be made up of "joint forces, of course."

"I want to add that the Armed Forces are in good spirits, and they are always willing to serve the interests that the country may decide through the government."

When asked about the current salary and budget situation of the Armed Forces, he said: "it is the situation in the country," adding: "the Armed Forces, as any sector of the Argentine society, are trying to overcome [capeando]—I am using a naval term—the economic crisis." [sentence as received]

He added: "The Armed Forces' situation in this respect is critical, but I want to reaffirm that the entire Argentine society is facing the same problem."

Regarding the replacement of General Balza by General Canestro, Osses said that Balza "has returned to the Army to assume his duties as deputy chief," and that "Brigadier Roberto Patrich was holding this post as acting deputy chief until the Army decided to fill this post following a reorganization of its cadres. For this reason Gen. Canestro is here."

Canestro said: "I feel a special honor on being designated to this post, but this also implies a special responsibility, because working at this level of the Armed Forces represents a professional challenge for which I have been preparing for my entire professional career."

President Confirms Readiness

PA2608170990 Madrid EFE in Spanish 1606 GMT 26 Aug 90

[Text] Santiago, Chile, 26 Aug (EFE)—Argentine President Carlos Menem has said that his country's Armed Forces are ready to depart for the Persian Gulf if necessary and if he decides it as the Argentine president and the Armed Forces commander in chief.

Menem made that statement during an interview with the influential Chilean newspaper EL MERCURIO and on the eve of his three-day visit to Chile.

The Argentine president recalls that as far as the Iraqi-Kuwaiti conflict is concerned, Argentina already adopted a position by condemning the Iraqi aggression against Kuwait before the approval of the UN Security Council resolution.

Menem adds: If the United Nations requires the deployment of Argentine troops, we will consider the request and then procede to deploy the troops.

Menem asserts that the Argentine soldiers want to go to there and recalls that there are Argentine officers who have been in similar missions. Menem says: Our soldiers have been in Afghanistan, The Congo, and more recently in the Persian Gulf as a result of the Iran-Iraq conflict.

As for the Malvinas Islands issue, the Argentine president says that the final goal is to recover sovereignty over the archipelago, but added that Argentina has discarded the hypothesis of a new war and has replaced it with the channels of diplomacy.

As for the Chilean-Argentine integration plans, Menem believes that there are possibilities for the two countries to grow. He stated: I hope for the unity of the entire continent. And mind you, I am speaking about North, Central, and South America, he added.

Regarding U.S. President George Bush's Initiative for the Americas, Menem believes that it is not a policy aiming at uniting the continent, but rather aimed at creating a free trade zone from Alaska to Tierra del Fuego.

To conclude, Menem stated: At present we are preparing a long list of agreements and pacts that we will sign with my friend Mr. Duck (Chilean President Patricio Aylwin) as I affectionately call him.

Intrasigent Party Leaves Electoral Alliance

PA2608180790 Madrid EFE in Spanish 1525 GMT 26 Aug 90

[Text] Buenos Aires, 26 Aug (EFE)—The economic adjustment plan implemented by President Carlos Menem has created a fissure within the electoral alliance that took him to power in 1989 and has caused a confrontation between the government and the unions lead by Saul Ubaldini, who supported Menem's candidacy.

During a national convention held today, the center-left Intransigent Party (PI) decided to withdraw from the People's Unity Justice Front (Frejupo), the alliance that won the past presidential elections, because it disagreed with Menem's economic plan.

The drastic resolution issued by the PI, which in 1985 was the country's third political force, is based on its rejection of the Menem's alliance with several Liberal leaders after assuming power and its disagreement with the president's economic guidelines.

Marcelo Vensentini, president of the PI Committee in Buenos Aires, said that it is necessary to oppose the neoliberal government plan and support all those who reject the policy in a national and popular front.

Menem, who belongs to the Justice Party (Peronist) won the May 1989 elections by a wide margin in alliance with the PI, Christian Democracy, the Integration and Development Movement, the main Peronist unions, and other minority political forces.

During his electoral campaign, Menem promised a general wage increase (salariazo) and a productive economy. However, his opponents say that a little over a year since he assumed power the workers' income has dropped and the country is submerged in a deep recession.

Menem has admitted that Argentina faces many problems; however, he claims that he received a country in trouble and that the effects of his economic plan will not be seen for at least two years.

Menem's problems with his allies are not limited to the PI. Christian Democratic Leader Essio Silveyra has warned that his political force could become separated from Frejupo because the government has not implemented its proposals .

On 25 August, Saul Ubaldini, secretary general of one of the two main confederations in which the Peronist unions have divided after Menem assumed the Presidency, intensified his criticisms to the government plan and said that his sector maintains its rejection of the monetary policies that impair economic growth.

According to Ubaldini, who accompanied Menem during part of the electoral campaign, the economic plan has caused growing unemployment, government neglect, misery, and hunger through ruthless and unjustified price hikes.

Menem now has the support of leaders of the Liberal Democratic Center Union (UCEDE), whose members were historically anti-Peronists, and of several business groups, in addition to the labor groups opposed to Ubaldini, which unconditionally support the president.

Analysts believe that the government's economic policy, based on a free market economy and in a broad privatization plan, has profoundly changed the country's political scene.

President Menem has said that the time of ideologies in the world is over, and that in outlining official policies, community interests should prevail over the demands of corporations of parties.

Paraguayan Foreign Minister Begins 3-Day Visit

PY2408135290 Asuncion ABC COLOR in Spanish 23 Aug 90 p 10

[Excerpt] Buenos Aires—Paraguayan Foreign Minister Alexis Frutos Vaesken yesterday began a three-day official visit to Argentina with protocol activities that included a meeting with his Argentine counterpart, Domingo Cavallo, and a special audience at Government House with Argentine President Carlos Menem, during which the sisterly and friendly ties existing between Argentina and Paraguay were again emphasized. [passage omitted]

Editorial Calls For Action on Falklands Issue

PY2508021090 Buenos Aires LA PRENSA in Spanish 24 Aug 90 p 6

[Editorial: "The Malvinas Issue at the United Nations"]

[Text] A United Nations Decolonization Committee draft resolution that advocates negotiations between Argentina and Great Britain over the Malvinas Islands' conflict may help the government take new steps in the negotiations for recovery of that portion of our national territory.

Even though the British ambassador to Argentina has declared that the sovereignty matter will be "left aside"—thus, to some extent confirming the president's proposal to "put the sovereignty issue under an umbrella"—one may wonder how long British authorities will continue to attempt to justify occupation of the archipelago.

It is not easy to understand, especially now, the reluctance London still has to removing the anachronistic flag of colonialism, which still flies over Puerto Argentino. In fact, now that relations between Argentina and Great Britain have been almost completely restored and, even though our government has adopted a conciliatory position on the subject, the British refusal to recognize the legitimacy of our demands over the islands constitutes the only remaining obstacle to a true normalization of bilateral relations.

The concise references British Foreign Office officials have made on the issue have not helped improve bilateral cooperation channels. Yet, a British diplomat accredited to the United Nations has said "the British have no objections" to the Decolonization Committee's draft resolution. This could be an indication that Prime Minister Margaret Thatcher's government has adopted a more flexible attitude.

However, any true progress in this regard will be seen only when the ambiguous diplomatic language translates into evident facts; that is, when the British Ambassador's words about the possibility of "jointly working in all the other areas," except in the area dealing with Argentine sovereignty over the Malvinas islands, have a less negative connotation.

The British Government should realize that the "area" in which work should begin is that of our country's legitimate rights over the southern archipelago, which unfortunately represents one of the last vestiges of a colonialist policy that is already dead.

Atomic Energy Chief Describes Nuclear Program

PY2508014490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1240 GMT 24 Aug 90

[Text] Mendoza, 24 Aug (NA)—Manuel Angel Mondino, president of the National Atomic Energy Commission, has said that "the need to install a nuclear dump in Argentina could be justified within 30 years." He added that the country's uranium reserves will guarantee self-sufficiency until the year 2020.

Mondino said that during his term in office, he will seek to finish construction of the Atucha 2 plant, build a heavy water plant, and finish an extension for the enriched uranium plant.

Mondino told the LOS ANDES newspaper that "approximately $800 million will be invested in finishing construction of the Atucha 2 plant in 1995." The construction will be financed by a German credit of $200 million marks, funds provided by the National Treasury, and a Spanish credit of $50 million, which is being negotiated.

Regarding construction of a heavy water plant, Mondino said it will be finished early in 1992.

He said there are around 8,000 tons of uranium in Sierra Pintada, Mendoza Province, and 3,000 tons in Cerro Solo, Chubut Province. These are the country's major uranium reserves.

"These reserves will guarantee our self-sufficiency until the year 2020," Mondino added.

He also announced that it has been decided to suspend the project to install a nuclear medicine school in Mendoza, construction of which is nearing completion, and to promote the creation of a diagnostic institute in the same province.

Economic Emergency Law Extended for Another Year

PY2408215690 Buenos Aires BUENOS AIRES HERALD in English 24 Aug 90 p 1

[Text] (NA-DYN)—The government has extended the Economic Emergency Law for another year, the OFFICIAL BULLETIN reported yesterday.

Although there was no official announcement of the measure, it had already been anticipated ten days ago by Presidential Legal and Technical Secretary Raul Granillo Ocampo.

The extension of the law—number 23696 and first approved by Congress on August 17 last year—makes use of a provision allowing a once-only 12-month extension and means that all public services and state administrations will continue under a state of emergency.

Bolivia

Communist Party Splits; Faction Calls Congress

PY2508040090 La Paz Television Bolivian Network in Spanish 0030 GMT 25 Aug 90

[Excerpt] The miners' leader Oscar Salas Moya is leading a new faction of the Bolivian Communist Party, whose unity was broken today, Friday, 24 August.

[Begin Salas Moya recording, in progress] ...that this decision means a break with the party leadership, which is not the historical leadership and which is attempting to remain as our party's conductor. [end recording]

The Renewal and Change Movement [Movimiento Renovacion y Cambio] of the Bolivian Communist Party has definitively broken with the conservative party leadership, assuming the responsibility of calling for the party's sixth national special congress.

Salas Moya, main leader of the Renewal and Change Movement, charged that the conservative leadership has illegally suspended the sixth party congress, which was to have been held today, disregarding the will of the majority and the institutions and resorting to blackmail to justify its maneuvers. [passage omitted]

Minister Talks About Possible Territorial Losses

PY2508023090 La Paz Television Boliviana Network in Spanish 0030 GMT 25 Aug 90

[Excerpt] Today Minister of the Presidency Gustavo Fernandez held a news conference in which he mentioned the danger of Bolivia suffering territorial losses as a result of the geopolitical interests of neighboring countries.

The news that had a stronger impact today was undoubtedly a report on the existence of a potential danger of the loss of Bolivian territory to the neighboring countries of Chile, Brazil, Peru, and Paraguay.

Fernandez explained that the National Security Council did not submit the report to his office. However, he outlined the National Security Council's basic geopolitical views.

[Begin Fernandez recording] First, the Bolivian Armed Forces are fulfilling their duties all over the territory. Second, there are initiatives being implemented under the sovereignty plan, which is being implemented by the Interior Ministry. The objective of this plan is to strengthen Bolivian sovereignty in the remotest areas of the national territory. Third, I believe it is very clear that the Bolivian Government's main duty is to guarantee our territorial integrity, and that the government is discharging this duty with absolute clarity and seriousness. [end recording] [passage omitted]

Legalization of Cocaine Production Proposed

PY2408225090 La Paz PRESENCIA in Spanish 18 Aug 90 p 5

[Excerpts] Deputies Filemon Escobar and Gregorio Lanza, who are members of the United Left [IU] party, yesterday criticized the recent U.S. court decision to acquit Washington Mayor Marion Barry. They added that this decision "raises the issue of the legalization of cocaine worldwide."

Speaking with great annoyance about Barry's virtual acquittal—he was indicted on only one of the 14 charges filed against him for possession and consumption of cocaine—Escobar said this "shows the incoherence of the U.S. Government and its cynicism in demanding the militarization of the antidrug struggle in Bolivia."

Lanza, a leader of the Convergence Axis [Eje de Convergencia], an IU coalition party, said this U.S. court decision "once again casts a shadow of doubt on the sincerity of Washington's antinarcotics policies, and raises the need to discuss the legalization of cocaine production and cocaine consumption worldwide." [passage omitted]

Lanza added that the legalization of a cocaine-oriented economy and the consumption of drugs would result in a decrease in violence generated by narcotrafficking, in illegally obtained profits, and in a strengthening of the treasuries of producing countries.

Lanza said: "Mayor Barry's acquittal raises this issue, which must be studied by the Bolivian Government within the framework of a national strategy. [quotation marks as received] He added that this discussion "will yield fruitful results."

He stated that an eventual legalization of cocaine production in Bolivia would also avoid the issue of the Army's participation in the struggle against drug trafficking and the social consequences that would ensue.

Union Leader: Coca Eradication Hurting Economy

PY2408170090 La Paz PRESENCIA in Spanish 19 Aug 90 p 7

[Text] Filemon Escobar, cultural adviser of the Bolivian Labor Federation (COB), has stated that the massive eradication of coca crops implemented by the government has thus far "only benefited the United States and has caused losses of more than $400 million for Bolivia."

Escobar noted that Bolivian coca growers are receiving $2,000 compensation for each hectare of coca crop eradicated and thus the 6,000 hectares that have been eradicated during the first half of 1990 have resulted in just $12 million income to the country.

"What are we doing?" Escobar asked. He contends that the government's eradication program "cannot be regarded as a success because it is detrimental to the Bolivian economy."

Escobar said that the figures announced recently by Samuel Doria Medina, economic adviser of President Jaime Paz Zamora, show that the 6,000 hectares of eradicated coca crops would have generated $400 million through the coca-cocaine economic process.

"Why, then," he said, "have we received only $12 million?"

Escobar charged that "because of the pretext of an antidrug fight, Bolivia is losing its ability to deal in coca leaves on the international market and it is running the risk of making another costly mistake like it did over the sale of tin during World War II to support the forces of freedom and democracy."

After making some calculations, Escobar said that if there are 70,000 hectares of coca crops in Bolivia, the government should demand at least a $3.2 billion compensation for them, and not just $140 million, which it would obtain at the $2,000 per hectare compensation rate.

Escobar said: "To fail to do this would be to undermine the alternative development program in Bolivia which, in the opinion of the COB, rests with agricultural reconversion." He added that "only this policy can guarantee the eradication of the drug trade in Bolivia."

Escobar made these remarks during a lecture sponsored by General Lucio Anez, the commander of the Special Antinarcotics Force.

Attempts To 'Refloat' State Banks Fail

PY2408163690 La Paz PRESENCIA in Spanish 14 Aug 90 p 4

[Excerpt] The situation of the state banks is critical. Government efforts over the past few years to "refloat" them have not yielded the expected results. These banks have had new losses which have eaten into the capital provided by the state. Neither the State Bank nor the

Agricultural Bank are capable of allocating resources in the productive sector on a long-term basis at a level that would guarantee their correct use.

This statement was made by Luis del Rio, Superintendent General of Banks, who is a financial status analyst stated: "The fact that state banks are experiencing a serious, in some cases critical, financial situation is no secret."

He added that over the past three years the state has injected large amounts of capital in the State, Agricultural, and Mining Banks, especially through the mechanism of subrogating their debts to foreign creditors and the Central Bank.

Del Rio stated that although this "refloating" operation does not provide new funds to increase credit and investment operations, it does streamline the institution's assets.

He added: "However, current figures show that an important portion of that new capital provided by the state has been eaten away by new losses, in some cases caused by operations initiated by previous managements (more than $10 million in the State Bank, and an unspecified amount in the Mining Bank), and other losses caused by current operations." [passage omitted]

Brazil

Embassy in Kuwait 'Deactivated,' Not Surrounded

PY2408180290 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 24 Aug 90

[Text] The Brazilian Embassy in Kuwait has been deactivated, and is not surrounded by Iraqi forces. Itamaraty has again asked the Brazilian military officers who are advising the Iraqi Army to leave that country.

As the result of negotiations between the Brazilian and Jordanian Governments, another 36 Brazilians will leave Baghdad across the Jordanian border today. Brazil is now negotiating to ensure that all Brazilians that leave Iraq do it across the Jordanian border, because this is the easiest way. If this proves impossible, Itamaraty does not discard the possibility that the Brazilians may have to cross the Turkish or Iranian borders.

Itamaraty spokesman Jose Vicente Pimentel today repeated Foreign Minister Francisco Rezek's call to the Brazilian military officers who are advising the Iraqi Government to leave the country.

[Begin Pimentel recording] The Brazilian Government cannot forbid them from performing private activities, but as their activities create a politically embarrassing problem for the Brazilian image, the foreign minister has appealed to the patriotic spirit of these retired Air Force officers, whose training was entirely financed by the Brazilian taxpayers. We know very well that they are skilled experts and that they are patriots. Therefore, we hope they listen to this plea. [end recording]

Engesa Employees Remain in Iraq, Families Return

PY2408221890 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 24 Aug 90

[Italicized passages are recorded]

[Text] More Brazilians have returned from Iraq. They are the spouses and children of Engesa [Specialized Engineers, Inc.] employees, who assist the Iraqi Government on military matters. They arrived at Guarulhos International Airport in Sao Paulo early this morning.

The flight, which arrived early this morning, brought 10 Brazilian women and their children. These families had been in Iraq for less than a year. Were it not for the war, they would have stayed there. The hugs and greetings of those who were waiting for them at the airport made many of the women cry. All of them said that so far, they had noticed no signs of war.

[Unidentified woman] *The situation in Baghdad is tranquil. Everything is apparently calm.*

[Second unidentified woman] *We had no intention of leaving the country that early. However, the embassy recommended that we leave the country, and we agreed to do that. As soon as the situation becomes normal, we intend to return to Baghdad.*

Although they all said things are fine in Baghdad, none of the women could clearly explain their husbands' situation.

[Unidentified woman] *I cannot say anything.*

[Reporter] *Why can't you say anything?*

[Unidentified woman] *I have not been authorized to say anything. [end recording]*

None of the husbands who work for Engesa, which currently has 26 employees in Iraq, could return to Brazil with their wives. The Engesa experts and engineers are working on 12 weapon projects for the Iraqi Government.

[Unidentified Engesa executive] *It was made very clear in the telex sent by our president, Fernando Collor, and in Saddam Husayn's answer to it that the Brazilians have been allowed to leave the country before anyone else.*

[Reporter] *How long do you think it will take them to arrive in Brazil?*

[Unidentified Engesa executive] *I cannot say, but I believe they will be here in about 15 days.*

Also arriving in Rio de Janeiro this morning were three soccer coaches who worked in Kuwait. They told about dramatic scenes of the Persian Gulf crisis that they witnessed.

The three soccer coaches arrived at Rio de Janeiro International Airport at 0600 this morning, and were

welcomed by relatives and friends. Paulo Campos, who was coach for the Kuwait youth team, was the most moved of them. They still remember the 17 days of tension they experienced in Kuwait.

[Paulo Campos] *We were caught between the Kuwaiti general headquarters and the Iraqi Armed Forces. For six hours, we hid in the garage while bombs and machine-gun bullets flew over our heads. All we did was pray.*

The other two coaches were Danilo Alves, who has been training Middle Eastern soccer players for 10 years, and (Valmir Lourux), coach of the Kuwaiti junior team.

The coaches and other Brazilians who were living in Kuwait were allowed to leave the country only after President Collor contacted the Iraqi Government. (Valmir Lourux) even called President Collor in Baghdad [as heard] to thank him for his assistance. They have been friends for 16 years. They first met in Alagoas when (Lourux) played for the CSA [Alagoas Sports Club] team.

[Reporter] *Are there still several Brazilians waiting for visas to leave Kuwait?*

[(Lourux)] *Yes, there are. As far as I know, President Collor is trying his best to obtain permission for them to leave. I talked to some of them—particularly to Mendes Junior employees, in whose encampment we stayed for 3 hours—and they told me they are anxious to be able to leave that country.*

Company Suspends Contracts of Employees in Iraq

PY2508004690 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 Aug 90

[Text] The Mendes Junior Construction Company this evening suspended the labor contracts of its employees in Iraq. This measure seeks to facilitate the departure of 216 Brazilians who are still in the company camp.

Presence of Military Advisers Causes Concern

PY2508002090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 Aug 90

[Excerpts] Itamaraty is concerned about the presence in Iraq of Brazilian reserve military men who are helping the Iraqi Army. [passage omitted]

According to Itamaraty, the Iraqi Government has issued 24 predeparture permits to Brazilians today. None of the permits, however, include the former Air Force officers who are helping the Iraqi Army increase the range of its missiles.

For Itamaraty, the presence of those retired officers in Iraq has placed Brazil in an embarrassing position with respect to the other countries of the world.

[Begin Foreign Minister Francisco Rezek recording, in progress] ...taking into account the nature of their contracts, the nature of what they are doing in Iraq, and the political consequences of those contracts for Brazil. [end recording] [passage omitted]

Minister Unaware of Officers

PY2508171490 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 25 Aug 90

[Text] Aeronautics Minister Socrates da Costa Monteiro today denied the presence of any retired Air Force officers in Iraq to train Iraqi military officers.

[Begin recording] [Da Costa] I am not aware of any Air Force officer that may be in Iraq. I am not aware of the presence of any retired Air Force officer in Iraq.

[Reporter] Who is developing projects there?

[Da Costa] I do not believe that any retired Air Force officers are in Iraq. [end recording]

Government Urges Engineers To Leave Iraq

PY2608005690 Rio de Janeiro O GLOBO in Portuguese 25 Aug 90 p 18

[Text] Brasilia—Yesterday Government House Spokesman Claudio Humberto said that the stay in Iraq of engineers belonging to the missile-developing company HPO [Hugo de Oliveira Piva] may be misconstrued as a violation of the UN resolution that Brazil has signed. He added that President Fernando Collor has instructed Itamaraty to appeal to the patriotism of the engineers. Claudio Humberto stated that all of them are reserve officers who were trained at the expense of the Brazilian taxpayer.

Yesterday Itamaraty learned that Brigadier Piva reportedly arrived in Baghdad on 24 August to deal with the status of his employees and the contract with the Iraqi Government. According to other reports the brigadier had been touring Europe, including Geneva, Paris and Lisbon, taking care of his business and making contacts to resolve the situation of the Brazilians whom he had sent to Iraq.

Of the initial group of 23 people who left for Iraq beginning September 1989, four are currently on leave in Brazil and have been instructed not to return to Iraq for the time being, until the Brazilian Government manages to resolve the situation of the other 19 engineers who are in Iraq. Among the group are engineers who had worked for Engesa [Specialized Engineers Inc.], Orbita, Avibras [Avibras Aerospace Industry Inc.], Embraer [Brazilian Aeronautics Company], and INPE [National Institute of Space Research].

Here are the names of Brazilian technicians and engineers hired by the HOP on behalf of the Iraqi Government: Antonio Rogerio Prattes Salvador, Arquimedes Zacarias, Azhaury Carneiro da Cunha Filho, Carlos Alberto de Paiva Carvalho, Carlos Vagner Bueno, Emilio Sugimoto, Lolberto Arariboia Verwieb, Luis Akutso, Luis Sergio Ferreira, Marcio da Silva Luz,

Marco Antonio Coc collin [name as published], Mattael Antunes dos Santos, Renato Nello Zanetta, Ricardo Campmany, Ricardo Satori, Ronaldo da Silva Araujo Franco, Sergio Renato de Souza Balbi, Tonio Francisco Fogagnoli, Vagner Campos do Amaral Silva and Vagner Madeira da Silva. [number of names as published] All the relatives of these professionals who had been in Iraq have already returned to Brazil.

Engineers Return to Work

PY2608000490 Rio de Janeiro O GLOBO in Portuguese 25 Aug 90 p 18

[Report by Jose Eustaquio de Freitas]

[Text] Sao Jose dos Campos, Sao Paulo State—The 19 Brazilian engineers and technicians hired by the Iraqi Government to design and develop missiles returned to work at the beginning of this week at a research facility located in a fortress near downtown Baghdad. The Brazilians had left Baghdad 20 days ago at the request of the Brazilian Embassy and were staying at the Expressway Camp of the Mendes Junior Company, some 400 km from the Jordanian border.

Government officials brought them back to Baghdad and instructed them to continue complying with their work contracts as of 20 September. According to their families, they are safe, calm and have never regarded themselves as hostages. None of them has asked for a visa to leave Iraq because they are not worried about the instability in the region and do not believe that there will be a war. On Thursday, most of these professionals left their work to go to the apartment of one of their colleagues where they played cards, drank beer, and ate barbecued food.

Brigadier Hugo Piva, who owns the HOP [Hugo de Oliveira Piva, full name of the company owner] company which hired the engineers, has recently been trying hard to terminate the collective labor contract, following instructions received from the Brazilian Foreign Ministry, so as to comply with the blockade declared by the UN Security Council.

Collor To Visit U.S., Czechoslovakia

PY2408134890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Aug 90

[Text] President Fernando Collor will visit Czechoslovakia on 1-2 October. Itamaraty has reported that President Collor will leave for Prague directly from New York, where he will be 29-30 September. President Collor will visit New York twice in September: First on 23 September to attend the UN General Assembly and then, on 29-30 September to attend the UN meeting on the worldwide situation of children.

Brazil is Czechoslovakia's largest Latin American trade partner, and hope to further its trade relations with that country.

Left Threatens Strikes Against Economic Measures

PY2408160490 Madrid EFE in Spanish 1832 GMT 23 Aug 90

[Report by Vittorio Bacchetta]

[Excerpt] Brasilia, 23 Aug (EFE)—Following its failure last night to overturn in Congress a presidential veto on the law on automatic salary adjustments, the Brazilian left is now threatening to implement a wave of "Black September" style strikes against the economic policy of the Collor de Mello administration.

Deputy Luiz "Lula" da Silva, the Workers Party (PT) leader and the leader of the left-wing government opposition, has said that the workers' inflation-adjusted salary increases are now not guaranteed and warned about the risk of a wave of "Black September" style strikes in different sectors.

Lula pointed out that, although the official policy favors "free negotiations" among the parties involved, the government does not permit salary increases of more than 70 percent, while real salary losses were 292 percent [time span not given].

Jair Meneghelli, the United Federation of Workers (CUT) president, has confirmed the CUT's intention to comply with a timetable of strikes that will culminate in a general strike. The CUT already prepared the timetable of strikes last weekend, he said.

On the eve of the congressional vote, the Brazilian president addressed the country over television and radio to justify his veto on the law on automatic salary adjustments because, in his opinion, approving this law would be tantamount to returning to an inflationary escalation and would force the government to cope with a "brutal recession." [passage omitted]

New Measures Further Deregulate Economy

PY2508224890 Brasilia Domestic Service in Portuguese 2200 GMT 24 Aug 90

[Text] The government has announced new measures to reduce bureaucracy in the citizens' life. These measures are contained in four decrees signed by President Fernando Collor de Mello and in 32 resolutions signed by the infrastructure, health, and economy ministers.

One measure eliminates, as of January 1991, the required monthly payment of personal income tax in advance for those who have two or more income sources, thus simplifying tax declarations to a single yearly calculation instead of the twelve calculations the taxpayer will have to make until December.

Also, companies will no longer need authorization to distribute asphalt, solvents, and chemical products. The government lifted the tax exemption on lubricants and on liquid and gaseous fuels.

Through a resolution, Infrastructure Minister Ozires Silva eliminated the specification of lubricant oils by class and established a new nomenclature based on their use. In the area of steel, the government liberalized the distribution of common and stainless steel sheets, raw materials, and basic carbochemicals produced by state-owned enterprises.

To further debureaucratize the economy, the government simplified cotton, coffee, and cocoa export operations. It also did away with import taxes on various capital goods, so as to facilitate the modernization of the industrial establishement. In addition, the government dropped the requirement for passengers on international trips to present a certificate of tax payment om imported products.

Satellite To Aid State Forest Conservation

PY2508010590 Brasilia Domestic Service in Portuguese 2200 GMT 24 Aug 90

[Text] Sao Paulo State will have a program for the permanent observation of vegetation by satellite. The program will be known as Green Eye, and will be implemented this coming Monday, 27 August, by the Environment Secretariat.

Observation of vegetation in the Sao Paulo territory will be conducted by the Landsat 5 satellite. The Green Eye program will prevent the destruction of native vegetation and make it possible to spot illegal land clearing. The information collected by the satellite will be transmitted to regional units of the Environment Secretariat and the Forestry Police, who are responsible for enforcing conservation laws.

Chile

Aylwin Cites Importance of Freedom of Expression

PY2508202090 Santiago Domestic Service in Spanish 2300 GMT 24 Aug 90

[Excerpt] Speaking at a Sheraton Hotel luncheon to celebrate the National Press Association [ANP] anniversary, President Aylwin stated that no one should fear the truth or see in it a threat or a campaign.

In a five-page speech, Aylwin agreed with ANP President Roberto Pulido's previous remarks that, for the first time, after many years, this meeting has been held under a democratic regime. Aylwin said that the task of recovering democracy was tough, and that each member has contributed in accordance with his conscience and the circumstances.

Aylwin stated: We believe and trust in freedom. He then referred to the initiatives to abolish those rules that have tarnished or undermined freedom of expression. He said: There are mechanisms that often allow mild control over the communications media. Let us say frankly that those who control power, whether by political or economic means, are always tempted to control the communications media, especially in a country where real freedom of expression has been restricted for many years.

[Begin Aylwin recording] No one should fear the truth or see in it a threat or a campaign. We must speak the truth not to defame or offend anyone. We must speak the truth to unite and not to divide; to heal and not to open wounds. The communications media play a very important role in this area. As Pope Paul has said, the communications media must promote truth by preaching hope and without [words indistinct]. [end recording]

Aylwin said that his government has promised not to exert any type of pressure, overt or covert, that could restrict freedom of expression. He also hoped that Chilean reporters will fully comply with the principle of telling the truth, based on the spirit of unity and national reconciliation that today prevails in the country. [passage omitted]

Army Honors Pinochet on 17th Year as Chief

PY2408150290 Santiago Domestic Service in Spanish 1100 GMT 24 Aug 90

[Text] The Army has honored Captain General Augusto Pinochet Ugarte, the Army commander in chief, on his 17th anniversary in this post.

The main ceremony was held on the parade ground of the Liberator Bernardo O'Higgins Military School. Attending the ceremony were the Army High Command and various delegations representing all military units and important divisions of the country.

Lieutenant General Jorge Lucar Figueroa, the Army deputy commander in chief, emphasized in his speech the effective task carried out by his commander in chief during the past 16 [as heard] years as Army commander.

Gen. Augusto Pinochet Ugarte pointed out in his speech that his actions as commander in chief seek to strengthen the Army's modernization, as has been the case over the past few years.

Referring to those groups of people who only look to the past and who try to make simplistic interpretations of history, Gen. Pinochet said that it is the responsibility of a commander in chief to permanently examine current situations and to adjust to them.

[Begin Pinochet recording] As time went by I confirmed, with pride, how we soldiers have enhanced our functions. In sum, we have improved the meaning of our existence and our goals.

We have also enhanced the degree of personal prerequisites needed to properly and fully meet those functions, and to enhance the soldiers' strong involvement in all the

patriotic factors and the legitimate hopes of all Chileans as a sovereign state. [end recording]

Gen. Pinochet emphasized that the nation was in the greatest danger when he assumed as Army commander in August 1973.

It is appropriate to note that outside the Military School many neighbors greeted the Army commander in chief and then watched the ceremony that concluded with a parade of Army units.

Krauss: Pinochet Remarks Merit 'Impeachment'

PY2508174890 Santiago Domestic Service in Spanish 1100 GMT 25 Aug 90

[Text] Interior Minister Enrique Krauss has stated that General Pinochet's recent remarks are bordering on areas that would suggest an impeachment. The government does, however, agree with the idea of having a modern Army.

In a news conference, the interior minister was asked about the National Renewal's alternative cabinet. He noted that it appears to be a new idea with a modernizing appearance, but that it is something that has already been tried elsewhere.

Krauss said that there have always been organizations within parties concerned with studying the objectives of different government organizations. He said that the opposition's position in general must be constructive, because otherwise the opposition will upset not only the government but the state and national coexistence as well.

Krauss added: I do not believe the opposition has that spirit, although it may hold positions very different from ours.

Regarding Pinochet's remarks, he said: The government agrees with the aspiration for a modern Army, an Army that will fulfill the professional roles of such an important and significant institution.

Pinochet has made different remarks on matters which border on impeachment. So far those remarks do not merit any comment. However, some of his ideas on historical points are different from ours. The country knows, and General Pinochet knows—we hope that he has not forgotten this—that we had been the opposition to his government and his political regime. Nevertheless, we consider aspects of his government to be positive, and for this reason the president of the Republic today is Patricio Aylwin and the Army commander is General Pinochet.

Regarding the occupation of LA NACION by relatives of political prisoners, the minister stated: Regardless of the reasons that led them to adopt this measure, they are not doing themselves any favors. The interior minister concluded by saying that Finance Minister Alejandro Foxley will adopt some measures next week on the revaluation problems [not further specified].

Army Rejects Remarks by Bishop Carlos Camus

PY2508162690 Santiago Domestic Service in Spanish 1100 GMT 25 Aug 90

[Text] The Chilean Army has categorically rejected Linares Bishop Carlos Camus' remarks to a Santiago morning newspaper on an interview granted last Sunday by Army Commander in Chief General Augusto Pinochet to the same paper.

A communique released by the Army Public Relations Department states: The Chilean Army condemns the serious remarks made by Linares Bishop Carlos Camus to the Santiago newspaper EL MERCURIO, published on 23 August 1990.

Bishop Camus had taken the liberty of giving an opinion on the recent interview granted by the Army commander to that newspaper, making statements that were offensive not only to the moral and military integrity of the Army commander but which also violate the essential principles and values, the unity and prestige, of the Army and the Armed Forces as well.

The Army categorically rejects Bishop Camus' remarks and retains the right to adopt the appropriate legal measures.

Deputies, Military Officers Hold Private Meeting

PY2408154290 Santiago EL MERCURIO in Spanish 15 Aug 90 p C-5

[Excerpt] At the invitation of Jose Antonio Viera-Gallo, the chairman of the Chamber of Deputies, a group of deputies of the parties of the Coalition for Democracy has met recently with six high-ranking officers of the Advisory Committee of the Army commander in chief. The group of officers was headed by General Jorge Ballerino.

The meeting, which had not been announced by the military or by the congressmen, was held a few days ago at Viera-Gallo's home where the military and congressmen shared a dinner and discussed various topics without a formal agenda.

According to reports, the meeting was attended by Christian Democratic Party Deputies Carlos Dupre, Claudio Huepe, Waldemar Carrasco, and Juan Carlos Latorre; Radical Party Deputy Jaime Campos; and Party for Democracy Deputies Carlos Montes and Armando Arancibia, in addition to Viera-Gallo and the chairmen of various Chamber of Deputies committees. Deputy Juan Carlos Latorre yesterday said that the meeting lasted nearly three hours. "It was a social meeting in which we got to know each other better," he said. [passage omitted]

Ominami Examines Impact of Mideast Crisis

PY2508011890 Santiago Radio Chilena Network in Spanish 1700 GMT 24 Aug 90

[Excerpt] Chilean Economy Minister Carlos Ominami has said in Valdivia that the Persian Gulf crisis will have a significant effect on the Chilean economy. Ominami is in Valdivia to participate in the first meeting on the development and economic integration of Chile's four southernmost regions: the ninth, 10th, 11th and 12th.

Asked about repercussions of the crisis in the Middle East, Minister Ominami said:

[Begin Ominami recording] Chile imports 85 percent of the petroleum it consumes and a significant increase in the price of crude is bound to have a negative effect. However, we should also realize that Chile's large volume of exports and high level of international reserves will allow it to cope with this problem. We will undoubtedly have higher costs, but the situation is far from tragic. [end recording] [passage omitted]

Foreign Ministry Official To Tour East Europe

PY2508041290 Santiago Domestic Service in Spanish 2300 GMT 24 Aug 90

[Text] Foreign Ministry Under Secretary Edmundo Vargas will tour the USSR, Hungary, Poland, the CSFR, and the FRG 1-17 September. Vargas said the objective of the tour will be to learn about the status of relations with East European countries, sign some agreements, and address international issues with trade and foreign affairs officials. He will establish consultation mechanisms and hold talks on several bilateral issues. Vargas said that he will observe the functioning and facilities of Chilean embassies in East European countries because relations with them were established only on 11 March 1990.

Venezuelan Minister Signs Economic Agreement

PY2408153690 Santiago EL MERCURIO in Spanish 16 Aug 90 pp C1, C5

[Excerpt] Chilean Economy Minister Carlos Ominami yesterday stated that, in line with the Chilean coalition government program, "the advent of democracy has been instrumental in expanding international economic relations." He made these remarks during the signing of a document establishing the basis for an agreement on economic complementary action with the Venezuelan Government.

Among the instruments to be signed are an agreement on trade liberalization, which envisages the elimination of tariffs and restrictions affecting imports; an agreement on investments; and an agreement designed to avoid double taxation.

An understanding has also been reached on topics like the reconciliation of macroeconomic policies, concerted international economic negotiations, technical cooperation, trade promotion, and air and maritime transportation.

The signing of the basic agreement was the outcome of a number of meetings held 13-15 August by Ominami and Foreign Minister Enrique Silva Cimma with Venezuelan Development Minister Moises Naim.

The final signing ceremony will take place in October on the occasion of the Chilean President Patricio Aylwin visit to Caracas.

It has also been agreed to create a Chilean-Venezuelan Binational Committee, which will consist of public and private representatives of both countries and which will be charged with coordinating and following up on the agreement. [passage omitted]

Soviet Embassy Mission Arrives in Santiago

PY2408192090 Santiago EL MERCURIO in Spanish 12 Aug 90 p C 3

[Excerpt] The first delegation of Soviet diplomats who will open the embassy in Chile, arrived yesterday in Santiago from Moscow. The diplomats are headed by Soviet Minister Counselor Igor Ribaldin, who will be charge d'affaires until Soviet Ambassador Yuri Pavlov arrives in September. [passage omitted]

Inter-American Human Rights Convention Ratified

PY2508015490 Santiago Radio Chilena Network in Spanish 1700 GMT 24 Aug 90

[Text] Chile has ratified the Inter-American Convention on Human Rights and has recognized the jurisdiction of the Inter-American Court for interpretation and enforcement of the provisions contained in this convention.

Thus far, 22 Latin American countries have ratified this convention and Chile is the 20th country to recognize the jurisdiction of the Inter-American Court. This court will have jurisdiction over violations occurring after 11 March 1990 when President Patricio Aylwin took over.

Former PCCh Deputy on Expulsion From Party

PY2408173090 Santiago LA TERCERA DE LA HORA in Spanish 11 Aug 90 p 10

[Excerpt] Following the publication of his indefinite separation from the party, which in other parties is considered an "expulsion," Luis Guastavino, former congressman and former Fifth Region candidate for senator, yesterday morning answered questions by the press.

"This is a nightmare. I cannot understand it. It means the return of Stalinism to the party," Guastavino stated.

Guastavino was punished for disagreements over the manner in which the party was conducted after the congressional elections, and for requesting a broad debate on his performance under the current circumstances. [passage omitted]

PCCh, MIR Seek To Unify Leftist Factions

PY2508020090 Santiago LA TERCERA DE LA HORA in Spanish 15 Aug 90 p 8

[Excerpts] On 14 August, Jose Sanfuentes, leader of the Communist Party of Chile (PCCh), said his party and the Movement of the Revolutionary Left (MIR) have agreed to joint efforts to unify the leftist parties and factions. PCCh and MIR leaders met on the morning of 14 August to analyze this proposal. [passage omitted]

Sanfuentes said that PCCh and MIR leaders have agreed "that the left should play a larger role in strengthening support for the democratic process. We jointly agreed to make efforts to reunify the leftist sectors within the framework of understanding with the democratic forces in order to reinforce the democratic transition process." [passage omitted]

PCCh Leader Scores Economic Action, Pinochet

PY2408230090 Santiago Radio Chilena Network in Spanish 1700 GMT 24 Aug 90

[Text] The resolutions of the 12th PCCh [Communist Party of Chile] Plenum denounce the government's inability to establish an economic democracy in the country that will solve the serious social problems of the working class.

This was disclosed by PCCh Secretary General Volodia Teitelboim and PCCh leaders Jorge Pavez and Sergio Troncoso.

Teitelboim said that, in government circles, there has not been a well-balanced assessment of the people's needs, and settling of the social debt has been too slow.

[Begin Teitelboim recording] We believe a new impetus must be given to support the government so it can progress more rapidly on the path of social justice and in the redistribution of income, without expecting or demanding miracles or that the government do marvelous things overnight. [end recording]

The last PCCh Central Committee plenum confirmed the chosen political path, which includes supporting sanctions against Luis Guastavino, Antonio Leal, Leonardo Navarro, and Alejandro Valenzuela.

Volodia Teitelboim said that the PCCh will remain united, without leaning one way or another, implementing a democratic centralism system in which all PCCh militants can express their opinions.

Regarding General Augusto Pinochet's 17th anniversary as Army commander in chief, the communist leader pointed out that he must resign from his post.

[Begin Teitelboim recording] The country already feels, believes that Mr. Pinochet must go, that he has been there too long, and that he has committed truly catastrophic and excessive mayhem. [end recording]

As for the profits of the country's 50 largest corporations in the first palf of 1990, they finally said that the total equalled $156 million, while the minimum wage increased from 18,000 to 26,000 pesos.

Government Signs 1991-93 Credit Plan With IDB

PY2408174290 Santiago EL MERCURIO in Spanish 10 Aug 90 pp A1, C6

[Summary] The Chilean Government yesterday signed a credit program with the Inter-American Development Bank (IDB) for the 1991-93 period. IDB President Enrique Iglesias said the program includes 25 projects related to social areas, road building, and the environment. He said that between $2 and $3 billion will be earmarked for this program and that the IDB will directly provide between 60 to 70 percent of this amount.

Prisoners' Relatives Occupy Newspaper Offices

PY2408140090 Santiago Domestic Service in Spanish 1100 GMT 24 Aug 90

[Text] An initially peaceful occupation of the building used by the newspaper LA NACION by about 20 people yesterday lasted nearly four hours. The occupation was staged by members of the so-called Association of Relatives of Political Prisoners [Agrupacion de Familiares de Presos Politicos]. They installed themselves in the main hall [preceding word in English] of the newspaper building at about 1630 yesterday, chanting and shouting slogans in support of an immediate release of the so-called political prisoners and calling for justice over the missing detainees issue.

LA NACION director Abraham Santibanez regretted the occupation of the building, noting that the demonstrators had asked him to publish a long manifesto. We cannot accept this method of pressure, Santibanez said.

He pointed out that, despite the fact that he disagreed with their manifesto, he would have published it, if it were necessary, but they never asked him to. [sentence as heard]

Santibanez added that the matter of principles, like forcing a newspaper to publish something under pressure, was discussed. He made it clear that we did not accept it before and we do not accept it now.

Following unsuccessful negotiations, the Carabineros broke the padlocks and chains that locked the front door and ordered the people to clear the area.

The situation persisted and the demonstrators sat in the street, continuing their protest. There were some scuffles and some arrests but the problem was finally solved at about 2000.

Colombia

Gaviria Views Gulf Situation, Condemns Invasion

PA2608040190 Paris AFP in Spanish 2047 GMT 25 Aug 90

[Text] Bogota, 25 Aug (AFP)—Colombian President Cesar Gaviria, in condemming the "arbitrary" Iraqi invasion of Kuwait, said today that this "barbaric action has jeopardized world stability and peace."

During a social event held at the Narino Palace (presidency) to honor UN Secretary General Javier Perez de Cuellar, who concluded a three-day official visit to Colombia today, Gaviria said that this Iraqi action "cannot be acceptable to any civilized nation."

"Global rejection of this barbaric and forceful action has been confirmed by the resolutions adopted by the UN Security Council," the Colombian president added.

In supporting the resolutions, Gaviria, who met on several occasions with Perez de Cuellar, said that Colombia, as a member of the UN Security Council, has supported its resolutions to impose financial and trade sanctions against Iraq.

He recalled that his government, in keeping with a UN mandate, has suspended all trade or financial transactions with Iraq and Kuwait since last week.

Gaviria said that although the Persian Gulf conflict poses a great danger to world peace, it also paradoxically offers an opportunity to strengthen the climate of detente in the world.

"If the world is able to successfully challenge Iraq's war actions and its violations of international law and human rights together while acting under a multilateral and joint leadership, a precedent of cooperation—which will become a stability factor—will be established," Gaviria added.

He said that "all those governments planning to attack other nations will know beforehand that they will not encounter the opposition of one state or a group of states, but of all of humanity."

Concerned for Citizens in Gulf

PA2608134890 Bogota Radio Cadena Nacional in Spanish 1227 GMT 26 Aug 90

[Text] Bogota—President Cesar Gaviria Trujillo will travel to the United States on 25 September to participate in the UN General Assembly debates.

President Gaviria has said that his government is concerned about assisting Colombians who are currently in the Persian Gulf, where the situation has become critical since the UN Security Council has authorized military intervention to enforce the naval blockade against Iraq.

President Gaviria said he hopes for a peaceful solution in the Persian Gulf conflict, but admitted that the situation is very critical.

Army 'Is Ready' for Any Necessary Deployment

PA2608213890 Bogota Inravision Television Cadena 1 in Spanish 1818 GMT 26 Aug 90

[Text] We visited the Tolemaida Military Base, where the 22d anniversary of the Lancer Academy was celebrated. In this report we will see how the best Colombian soldiers are trained to respond to any requirement. The Lancers are even trained to form part of a possible Colombian contingent in the Persian Gulf.

The 22d anniversary of the officers academy of the Colombian Army was celebrated with the inauguration of the monument to the militias and with a parachuting and gliding demonstration.

The monument, located at the Inocencio Chinca School in Tolemaida, has the eight coat of arms of the Army units and the symbol that identifies it as an airborne unit. The soldiers anthem was sung by these men, who are receiving training here and who will be present in other parts of the country or the continent tomorrow.

[Begin recording] [Reporter] General, is the Colombian Army ready to go to the Persian Gulf if required by the United Nations?

[Gen. Manuel Murillo] This is something that is not up to us. The decision to determine whether we should be present or not in an international conflict is not up to us. The decision should be made by the country's Foreign Ministry and the president. As always, the Army is ready to go where it should go. [end recording]

Present here were the Lancers with their usual camouflaged faces and the special forces with their green berets. The monument is a tribute to those who have fallen in action and a reminder for those who are members of the Army.

The Boyaca parade field was the scene of parachute jumps. These men, who jumped from a plane at a height of 11,000 feet, first look like dark spots in the sky. Later their bodies and the colors of their parachute can be seen. Their courage, skills, and experience determine the success or failure of these jumps.

The gliders, with the firmness and determination of their pilots, also put on a nice show. These maneuvers are not conducted as a sport, but as part of what the members of our military forces should know. The joint operations commando units of the military forces also receive training in these bases.

Gaviria Confirms Positions of 3 Police Commanders

PA2508125390 Paris AFP in Spanish 0006 GMT 25 Aug 90

[Text] Bogota, 24 Aug (AFP)—President Cesar Gaviria's determination, which he inherited from his predecessor Virgilio Barco, to persist in the struggle against drugs has been demonstrated by the confirmation of the police commanders who began the war one year ago.

Gaviria, in his inaugural address on 7 August, announced a reorientation of the government's strategy against the drug mafias. To this effort, General Miguel Maza has been confirmed as head of the Administrative Department of Security, and Colonel Oscar Pelaez has been confirmed as commander of the Directorate of Judicial Police and Investigations.

The two officers have been characterized by their no-nonsense attitude toward drug traffickers, particularly the leaders of the Medellin Cartel, headed by "Capo" Pablo Escobar, who also heads the clandestine organization "The Extraditables," which is the armed wing of the mafia.

National Police commander General Miguel Gomez has also been confirmed in his post, although he is expected to be replaced at the end of the year, the time when changes within the Armed Forces traditionally occur.

Maza, who is known as the Colombian "Kojak," has survived two terrorist attempts on his life; both times powerful car bombs were used.

Pelaez has been repeatedly accused by the drug traffickers of "torturing" and "murdering" them and of persecuting the Medellin Cartel in favor of the Cali Cartel, another organization competing for the U.S. cocaine market.

Rebels Ask To Join Assembly Without Disarming

PA2608035690 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Aug 90

[Text] Only 24 hours ago, Colombian Government Minister Julio Cesar Sanchez Garcia said that the guerrillas who lay down their weapons will be allowed to participate in the so-called Constituent Assembly. Government Minister Sanchez is currently meeting with peace Adviser Jesus Vejarano to discuss these issues.

Today, FARC [Revolutionary Armed Forces of Colombia] and the EPL [Popular Liberation Army], however, insisted that they want to participate in the Constituent Assembly but without having to disarm and demobilize.

The active Colombian guerrilla movements today demanded a dialogue with President Gaviria's government and the country's political parties before the formation of the Constituent Assembly. FARC Secretariat Member Alfonso Cano and Francisco Caraballo, leader of a dissident EPL faction, presented that demand today. Cano and Caraballo said they are willing to hold a dialogue with the government, but without demobilization and disarmament. In an open letter addressed to President Gaviria and to the leaders of the various Colombian political parties, the EPL, the Camilist Union of the National Liberation Army, and FARC expressed their intention to hold a dialogue to discuss the Constituent Assembly issue.

[Begin unidentified guerrilla leader recording] We believe that if those talks can take place, we could give the Constituent Assembly the character that it should essentially have, which is to be an institution of peace above all else. [end recording]

The guerrilla leaders announced that they will exhaust all possibilities so that the Constituent Assembly is a forum for democratic agreement.

[Begin unidentified guerrilla leader recording] We are convinced that we can conduct a fruitful dialogue as long as the government alters its intransigent position, which is expressed in the convocation to the National Constituent Assembly. [end recording]

Former Rebel Captive Reads Letter to Government

PA2608214690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 20 Aug 90

[Telephone interview with Alfredo Riascos Labarces, former minister of communications, by unidentified reporter in Bogota on 20 August—live]

[Text] [Reporter] A few hours ago, Alfredo Riascos Labarces, the former communications minister who had been kidnapped 45 days ago on the road from Santa Marta to Cienaga Municipality, was released safe and sound. We have established telephone communication with Dr. Alfredo Riascos Labarces. Good morning, Dr. Riascos.

[Riascos] Good morning, how are you?

[Reporter] Very well, thank you. Can you tell us why you were released?

[Riascos] I was released on 19 August, after receiving a letter from the General Staff of the Jose Prudencio Padilla Front—also known as the 19th Front of the FARC [Revolutionary Armed Forces of Colombia]—on 18 August. I am now going to read the letter to you.

Sierra Nevada de Santa Marta, August 1990

Dr. Alfredo Riascos Labarces

Doctor: One of the last orders we received from our late commander Jacobo Arenas was to release you unconditionally, as a contribution to the construction and search for true peace that Colombia demands and particularly as a contribution to the peace, development, and progress of our dear coastal region.

Peace cannot be mandated. It is built in the regions where we live and die, where many people work and only a few become rich.

The Magdalena region, particularly the banana plantations, is privileged by the riches it possesses. However, it is plagued by poverty and hunger, as a result of the low salaries that the agricultural workers, who work in the banana plantations, receive.

The violence that has struck other regions is beginning to appear here: militarization of the region; murders of workers and people's organization leaders; and the emergence of paramilitary groups brought from the Uraba region in addition to those that already existed in the region. This is the only answer of banana plantation owners to the slightest attempt to create labor unions.

Our goal is full democracy, development, and progress for all. In order to attain these objectives, we must first attain peace, engage in a dialogue, and reach agreements. We have initiated the dialogue with different political and trade associations sectors. The banana plantations represent the most important economic sector of the Magdalena region. The development or poverty of the region, the prosperity or hunger of the people, and the violence or the search for peace to resolve the region's problems depends on the banana sector alone.

We want to begin this dialogue with you, Dr. Riascos Labarces, but not now. It would not be fair. We are going to begin this dialogue if you agree and once you feel free to decide. We want to extend this message and proposal, through you, to all banana plantation owners of the Magdalena region. What is at stake is too important. Your cooperation could become the seed of understanding. For better days to the coastal region.

[Signed] 19th Front General Staff

Jose Prudencio Padilla Front

FARC, Army of the People, EP

This is the full text of the letter.

Foreign Minister Elected Presidential Designate

PA2608161590 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Aug 90

[Text] Yesterday the Colombian Congress elected Foreign Minister Luis Fernando Jaramillo Correa as the Colombian presidential designate.

Fortunately, there was no opposition to the choice or fights during the session, and the speeches were not very long.

Although all the congressmen attended the session to elect the new Colombian presidential designate, the session was short and ordered. In an unusual manner, and perhaps bearing in mind the negative consequences of the extremely long speech delivered by the senate president on 7 August, the parliamentarians delivered short speeches that were straight to the point. Six congressmen spoke and supported the election of Fernando Jaramillo in less than 10 minutes.

Foreign Minister Jaramillo was chosen unanimously and the new presidential designate was [words indistinct] in an orderly manner. Jaramillo also delivered a brief speech.

According to many, yesterday's congressional session was an exemplary one for a Congress that has repeatedly promised to change its ways.

Ecuador

Energy Minister Declares Support for OPEC

PA2508160390 Madrid EFE in Spanish 2342 GMT 24 Aug 90

[Text] Quito, 24 Aug (EFE)— Energy and Mines Minister Diego Tamariz said today that his country hopes OPEC will overcome the current situation created by the Persian Gulf crisis, move ahead, and maintain its predominant role on the international oil market. Tamariz made those remarks before flying to Vienna to attend an informal OPEC meeting on 26 August to review the market and a possible increase in production, as well as the Persian Gulf conflict.

The Ecuadoran official explained that the situation in OPEC is undoubtedly one of the most critical of its 30 years, which is why it is necessary to watch developments in the Persian Gulf. He added that Ecuador will support all options leading to a solution. Tamariz noted that a coordinated action between oil producing and consuming countries is necessary in order to fill the gap left by of Iraq and Kuwait.

Ecuador could increase, within the OPEC's guidelines, its production volume, but its possibilities are not as flexible as that of the major producers, such as Saudi Arabia, which can raise its production up to two million barrels a day. However, he reiterated, there is the risk that once the Persian Gulf crisis is settled the price of the crude will drop substantially in a short time.

Tamariz declined to comment on an international dispatch regarding a U.S. suggestion that Ecuador and Venezuela leave OPEC and that the United States help develop Latin America's oil potential and establish a Latin American energy community. The Ecuadoran minister insisted that his country, as an OPEC member, is complying with actions aimed at preserving OPEC unity, maintaining oil supplies at normal levels, and keeping prices at a reasonable level.

Borja on OPEC Relations

PA2608191390 Madrid EFE in Spanish 1800 GMT 26 Aug 90

[Text] Quito, 26 Aug (EFE)—President Rodrigo Borja has rejected a request made by an adviser of U.S.

President George Bush to withdraw from OPEC, which it has belonged to since 1973, it was reported today.

Ecuadoran policy is sovereign and we give the orders here. Ecuador is a sovereign state and, therefore, it handles its oil policy according to its national interests, Borja said during a speech delivered yesterday to mark the transfer of the entire oil industry in the country to state control.

U.S. presidential adviser Norman Bailey said on 23 August that Ecuador and Venezuela should withdraw from OPEC as soon as possible because there is no reason for two Latin American countries to be members of an organization controlled by Arabs.

Without further reference to Bailey's words, the Ecuadoran president talked about the OPEC meeting which began in Vienna today to review the unstable situation of the international oil market following Iraq's invasion of Kuwait.

Borja also said that Ecuador will support an increase in the production quotas of the member countries if the organization decides upon it.

Since the Persian Gulf conflict has led to a decrease in the supply of oil by four million barrels, something has to be done because countries like Brazil, India, and Argentina need to be supplied with oil, Borja said.

Peru

Fujimori Addresses Economic Situation, Policies

PY2508133490 Lima Television Peruana in Spanish 0415 GMT 25 Aug 90

[Address to the nation by President Alberto Fujimori; place and date not given—live or recorded]

[Text] Good evening, fellow countrymen:

I am addressing you this evening to invite you to contemplate with me our country's present and future. We Peruvians have suffered much over the past few years, so much that we have almost become accustomed to suffering.

We have seen how our living standards, especially in the poorer sectors, have dropped to levels that were common decades ago in terms of material and social progress.

We can no longer tolerate the political and dishonest manipulation of the people's expectations. We need to initiate, once and for all, the technical and honest handling of national interests.

I will not give details; you are familiar with the situation because it is part of your daily life. I just want to ask you a simple question: How can we return to Peruvian homes the dignity of a simple but decent life, in which the possibilities for personal and family progress are foundations for the future?

There are many formulas to overcome the crisis, some of which have already been tried. You know them and you have suffered them. Before making a decision, like the decision to stabilize our economy and return tranquillity to Peruvian homes, I also asked myself a question: Why did the people elect me? The answer came quickly: To put an end, once and for all, to this situation.

Fellow countrymen, there is a limit to the governability of a country, a limit to its survival as a community and a nation. We are reaching that limit. In the list of world countries, Peru now ranks near the bottom.

As president I am not thinking about the work that I will complete in a short five-year term. I think that I must first restore the country's economic and social stability and then lay the groundwork for development, so that we can build our future upon those foundations. I therefore believe that to govern is also to build for the future, not to destroy it.

The true commitment of a governor to the people goes beyond applause or temporary popularity, beyond vanity.

You are aware of the situation in which the country was delivered to me. We have been in office barely 25 days, and only 15 days ago we released economic measures to stabilize the economy. The effects of those measures can already be seen clearly, because prices have begun to drop substantially.

We also have, however, a virulent opposition which seems to demand from us an explanation for a crisis that has been generated over the past few decades by the irrational use of power. Surprisingly enough, many of those who are politically responsible for that crisis are the ones who are today coming forward to protest on behalf of the people.

However, the people are not fools. They know that the oligarchies from the upper and lower classes, the groups with economic power, and labor leaders never agree when the government calls on them to form a social pact. But they do agree on how to protect their own interests.

The people are not fools, and that is why they have reiterated their answer, like on 10 June, to those who seek to perpetuate the traditional mechanisms of domination through stoppages with sabotage and manipulation.

It was not the government but the people who caused the failure of this so-called strike, which did not actually turn out to be a strike. It did not fail because of the people's indifference but because of their resolute refusal to let leaders manipulate them. This is a clear signal for those who have not yet digested the lessons of 10 June.

It has been said that the economic measures are out of keeping with my electoral promises. My promise was clear: Combat inflation so that it would not continue to

devastate the economy. I promised to do it at the lowest possible cost, trying to avoid recession in the productive apparatus.

Criticism has concealed many truths. Here is a sample: The shock really expected the dollar rate to increase to 750,000 intis and the price of gasoline to 1,125,000 intis.

I promised to implement an adjustment and, as I have always said, to do it fairly. Those who have more have to pay more. I fulfilled that promise with the enforcement of the direct tax on the rich, a tax that many people seem to forget or fail to notice.

It is worth recalling that instead of the proposed dismantling and sale of our main strategic and public service companies, I had promised a program to reorganize them and to streamline their bureaucracies. I intend to carry out this program to the letter.

This time the taxes that we have levied on those who have more, the taxes that we have levied on the new price of gasoline, will not be used to fill the desks at the various ministries with people with recommendations. This would be a crime, a veritable betrayal of the working people, not only of the salaried workers, who make up only 10 percent of the economically active population, but of the large, informally employed and needy population, the 90 percent of the workers who have never had anyone to defend them.

We want to interpret the feelings and ideas of the millions of Peruvians who have no representatives among union leaders or traditional political leaders. I am saying this respectfully, without meaning to offend anyone.

True, wages and salaries are not enough. Nobody can argue that the salaries of both public servants and private employees are not enough. We intend to truly defend salaries. I am talking about realistic salaries, in keeping with the situation we are living through.

Will companies be able to pay higher salaries? Maybe the larger ones will be able to; nobody is stopping them from doing so. However, what will happen to small companies? Salaries that are out of proportion to companies' ability to pay them are unrealistic and may lead to the bankruptcy of these job sources, which supply the majority of jobs.

Equally irresponsible demands are being made in the public sector. There are some people who are demanding from the administration substantial salary increases for public servants. I would like those who are so lightly making these demands on behalf of the workers to be more honest with their rank and file. They should tell them that these increases can be granted only by printing more money every day, printing more valueless bills to enjoy an illusory salary hike and to secure a round of applause for the union leaders and a few demagogues. This will allow all hell to break loose afterwards because the effects will be felt not only by state workers but also by those who do not have the privilege of a steady job.

You have not chosen a magician nor an irresponsible man. As president of Peru I am expected to take firm, decisive steps. You will have peace of mind if you are certain that the administration prefers a technical approach rather than petty politics.

As president, as head of the administration, I cannot jeopardize the productive means of the nation. These measures are hard enough on workers and companies alike. We are trying to keep the cost of our measures as low as possible. We are doing so for technical reasons, not on a whim.

In addition to drastically curbing inflation, we must begin to resolve urgent problems plaguing social and public services. Whenever I sit down, like any one of you, to watch television, I keep seeing the suffering of my people in hospitals and schools. These are basic services anywhere in the world, but where do we get the money for them?

Honest politics means teaching and educating the people. They should be told that the money to keep up decent hospitals, build roads, or finance a social emergency program comes from revenues that have in the past been misspent on absurd subsidies such as those for fuels, which kept the price of gasoline at six cents [currency not specified]. This price benefited persons who had their own cars.

I have nothing against the middle class, which is also suffering from the crisis, but we must think about the poorest people. In a situation as difficult as ours, one should give up driving around in cars and other luxury items. It is the least we can do. The state must set an example.

No more privileges for rulers; we have to set an example so that the people will respect us. This policy has been maintained in other areas: Indiscriminate subsidies for imported foodstuffs have cost millions of dollars annually. Here, as in the case of gasoline, rich people and smugglers were also subsidized.

My commitment to Peruvian agricultural producers is well known. Just as we do not want to set gasoline at six cents to be smuggled out to neighboring countries, we do not want to favor farmers in other countries. We need a price structure to stimulate agricultural production. I am talking about profitable prices for our peasants' products. Consistent with what we have said, our food policy will be directed at attaining self-sufficiency. If this is possible—and I believe it is—Peru can save millions of dollars on imports. The wheat flour that we do not produce will cost more than the rice and potatoes that we can produce in larger amounts.

This cannot be achieved overnight, however, and I do not intend to do so, but let's be conscientious once and for all. I can assure you that our policy will be pragmatic

and essentially protective of popular interests. Our goal is to replace imported agricultural products with Peruvian products, but we will resort to importing foodstuffs in the short term if the oligopolies dare to burden the people with unjust and disproportionate prices.

As you know, I will not compromise with privilege, with mechanisms of exploitation and speculation. Nor will I compromise with corruption at state levels. My duty is to defend the people, and my commitment to this has not changed one iota.

I would now like to refer to a subject that is particularly important to me: the price of medicines. One of the main elements taken into account in setting prices for goods and services when the economic measures were adopted was the free play of supply and demand. We have observed with surprise, however, that the prices of important medicines have increased exorbitantly. I consider this increase to be out of line with government intentions and unjustified by market forces.

I also want to emphasize the efficiency necessary for a program of social emergency under present conditions. Inefficiency still remains, as do many knots that must be cut. Millions of Peruvians, children included, hope that these compensatory programs will actually function. Those who head these programs must form their attitude through a desire to serve the people. Food and help must be made available as soon as possible, without delay.

The state we inherited because of an old crisis is not only inefficient but corrupt. When we touch sensitive areas, the reaction is immediate. True, the people do not know about technicalities and legalities, but they do know about the sufferings inflicted on their own flesh by corruption. The sun cannot be covered with one hand. The judicial branch, where there are honest men, as is the case anywhere else, has a huge debt to society.

It is not enough to point out that one is part of the machinery or that there is shared irresponsibility. No, gentlemen, let's not resort to easy excuses. Beginning tomorrow, the magistrates can contribute their share of sacrifice and patriotism and resolve many pending problems, such as the 224 court cases announced by the General Comptroller's Office, of which 116 cases are dragging from the administration of the previous comptroller.

As in war, we are in a situation in which the integrity of our nation is at stake. In a war, no well-born Peruvian will spare his effort, nor will he wait to make that effort to turn Peru into a paradise of good salaries and perfect budgets. Nothing is easy in present-day Peru, where 25,000 underprivileged children depend on the (Inavid) and thousands upon thousands more roam the streets without any protection whatsoever, and where mothers are desperately crying because they can only provide a meager bowl of soup for their children.

We need sacrifice and patriotism. This is why I am asking Congress to also do its part, to work harder than ever, and to leave aside the subject of their salaries until a time comes that we do not have the daily scenes that I have described.

I have said since the beginning of my political career that there must be a radical change in the mindset of the people in government. I firmly retain this conviction, and from here I am telling the Peruvian people that we are committed to that new awareness.

Today the world is burying the old type of politics; it is burying the professional politicians, those who live off the old type of politics.

I ask the people to remain vigilant. The people must not let the future be taken from them. I am also asking for an authentic popular participation based on the slogan of "Honesty, technology, and work."

There is still a very important question mark. It is true that Alberto Fujimori, that man for whom you voted, or for whom you did not vote, is going to defend the people, my fellow countrymen, with total honesty. I have no commitment to any power group. I do not have my hands tied, I am free, I am not a servant to either political or economic interests. I owe myself to the people who elected me.

Fellow countrymen, thank you for your faith and confidence. The effort will not be in vain. As a country we need to assume all our responsibilities.

The crisis can be overcome easily when the men and women of a country know what they want, and here both you and I know that we have Peru as the starting gate and the goal.

When we come out of this dark tunnel called inflation, unemployment, corruption, and crisis and see the light, we will embrace because we will have achieved everything.

Fellow countrymen, thank you very much, and good night.

Poll on Fujimori Policies

PY2408142490 Madrid EFE in Spanish 1804 GMT 23 Aug 90

[Excerpt] Lima, 23 Aug (EFE)—The government of President Alberto Fujimori still inspires confidence among Peruvian people who have not lost their faith that he will manage to bail the country out of the worst crisis in the country's history, despite the severe economic adjustment implemented on 8 August.

A poll was carried out among the different social classes of the country by the specialized company "Apoyo." The results were released today in Lima. They show that 51 percent of the people approve the government action.

"Apoyo" stated that in a previous poll the approval came especially from the upper and middle classes.

Regarding the hope that the economic stabilization program will yield the expected results, 60 percent claimed that it will be successful.

According to observers, the failure of the protest march against the economic plan, called for by union organizations on 16 August, and the meager response to the national strike last Tuesday show that union organizations no longer exert much influence on the workers who cannot afford to lose a day's wage. [passage omitted]

Opposition to Economic Measures

PY2508010890 Lima LA REPUBLICA in Spanish 16 Aug 90 p 8

[Text] Jorge del Prado, who has been confirmed as secretary general of the Peruvian Communist Party [PCP], said yesterday that after the Central Committee held its 11th congress, the PCP decided to express strong opposition to the government's harsh economic measures and to fight for changes in support of the people.

During a news conference at the party's headquarters, Jorge del Prado introduced the new members of the PCP Political Commission, of which he is a member. They are Isidoro Gamarra, Gustavo Espinoza, Carlos Bonino, Julio Raffo, Jaime Figueroa, Pablo Checa, Freddy Arana, and Pedro Grillo.

Valentin Pacho, secretary general of the CGTP [General Confederation of Peruvian Workers], was also elected as a member of the aforementioned commission, but he was absent from the news conference because he was coordinating the general strike called by the CGTP and the CTP [Confederation of Peruvian Workers].

Del Prado, who yesterday turned 80 and received all kinds of congratulations, used harsh terms to describe the government's economic measures. He said: "It is a violent, traumatic super shock that could have been expected from Mario Vargas Llosa's program."

Del Prado expressed his disappointment with government officials' decisions, and particularly, President Alberto Fujimori's attitude. He recalled that in his campaign the president offered to meet popular demands in an atmosphere of dialogue and consensus.

The communist leader emphasized: "There has been nothing of the sort. The government has submitted to IMF pressures. The government has surrendered to the IMF. What we actually have in the country is military and police deployment and dictatorial attitudes that cause alarm and arouse protests in popular sectors."

Del Prado announced that his party will support the protest march to be held in Lima today, and he already holds the government responsible in advance for what could happen.

Del Prado said the PCP is opposed to violence. He stressed, however, that the government initiated the attack by ordering, as an economic measure, "a cunning shock, without even having heard the workers beforehand."

The problems caused by the unexpected increases and the government's conduct was one of the topics reviewed at the 11th PCP Central Committee Plenum, held between 10 and 12 August.

According to the veteran communist leader's report yesterday, the recent 11th PCP Central Committee Plenum made a critical and self-critical analysis "of mistakes, deviations, and incorrect methods in the leadership's work."

Del Prado pointed out that the PCP's organizational problem was uncovered by the United Left's [IU] defeat in past elections. Nevertheless, he confirmed PCP participation in that front "for better or for worse."

Del Prado admitted that his party got the worst out of the past elections because, with the exception of his reelection as senator, the PCP lost all the seats it had in the former Congress.

Del Prado also pointed out that the PCP has lost influence in IU rank-and-file organizations and the front itself has lost influence in sectors that formerly supported it.

The PCP secretary general believed that a negative factor involved the competition over congressional seats, a competition in which everyone went his own way and followed his own strategy.

Del Prado admitted that, in that way, mistakes were made by the national leadership, there were hasty attempts to concentrate power, a spirit of solidarity and cooperation was missing, and there was a personality cult.

"We admit that it is necessary to make changes in our trends within the IU," said Jorge del Prado in conclusion, adding that the crisis in the European socialist system, which had repercussions in Peru, was another problem that affected the PCP.

Last night the PCP leader was congratulated by his comrades on his birthday. Representatives from various popular organizations were also present at the celebration.

Labor Ministry Collective Bargaining Communique

PY2508161690 Lima Television Peruana in Spanish 0100 GMT 25 Aug 90

[Text] The Labor Ministry today released the following official communique:

1. The government has not suspended collective bargaining or collective agreements in the private sector.

2. Collective bargaining and collective agreements in the public sector have also not been suspended. The government has simply established ceilings on salary increases to be granted until 31 December 1990. This measure is

aimed at safeguarding the stability of companies and workers. The government will thus make sure that jobs will continue to exist.

3. The government will establish the amount of increases to be granted.

[Signed] Communications Office

Lima, 24 August 1990.

Changing Drug Trafficking Patterns Viewed

PY2608031090 Lima LA REPUBLICA in Spanish 23 Aug 90 p 15

[Article by Roger Rumrrill: "Drug Trafficking in Peru—The Drug Map Is Modified;" italics as published]

[Text] One of the characteristics of the illegal drug economy, drug trafficking, is its extraordinary capacity to adapt to new circumstances and conditions and its formidable facility for establishing alliances with many sectors of society, formal and informal.

This capacity has recently been put to the test with the war declared in Colombia on the Medellin and Cali cartels, which has been, without doubt, the factor that has most contributed to the fall of drug prices in Alto Huallaga.

The most important and spectacular of these changes and modifications in the Peruvian drug map is the displacement of *coca capitals* Uchiza and Tocache to Juanjui, a sort of border between Alto Huallaga and Huallaga Central.

This displacement of drug business to Juanjui already has and will have in the very near future decisive geopolitical repercussions in the Amazon region and in the rest of the country. The first is that from now on the coca capital is no longer in territory under the political and military influence of Shining Path but in territory which, since 1987 has been considered under the hegemony of the Tupac Amaru Revolutionary Movement (MRTA).

From now on the fight for position among the two organizations in arms will have a new point of reference, a new axis of dispute, not only because the control of the economic flow in a war zone is of tactical and strategic importance but also because such control implies for the guerrillas a privileged relationship with the local peasants.

For a decade Alto Huallaga has been the coca capital of the world, and the small cities of Uchiza and Tocache have been the centers of financial transactions estimated between $800 million and $1 billion when prices were at their highest between 1988 and the first half of 1989.

But this situation abruptly changed after 18 August 1989 when the government of Virgilio Barco unleashed total war on the drug *barons* in Colombia. The most spectacular result of this offensive was that in Alto Huallaga drug prices dropped to unprecedented levels.

At the same time the price drop caused a series of chain reactions: change in air routes to avoid interdiction; a mass exodus of businessmen from Uchiza and Tocache to Juanjui; and the displacement of peasants from Alto Huallaga in the direction of Huallaga Central, fleeing the imposition of prices which are established by the guerrillas and which do not respond to the logic of the market. According to the peasants we interviewed during a recent trip to the region, these, along with the freedom which illegal economic activity enjoys in Juanjui, are the main reasons why that city has become the drug trafficking capital.

While illegal economic activity is readjusting, resolving its contradictions and its limitations, adapting and modifying itself, the state is unable to take advantage of the favorable condition of the fall in prices to turn the tide thereby changing the rules of the game.

On the contrary. The latest and dramatic price adjustment decreed by the Fujimori government has pushed poverty in the Amazon region—eroded by a war economy—to unprecedented levels.

An Amazon farmer still only gets 24,500 intis for a kilo of unhulled rice (half the price of a box of chewing gum). For a kilo of hard yellow corn he gets the incredible sum of 7,100 intis. "But the prices of the inputs of sowing have not yet been set, and it would be impossible to calculate the cost of producing a kilo of rice or corn," said Nestor Flores, businessman and regional peasant leader.

The same leader gave us a specific example of the abysmal difference between what it costs to produce food in Peru, under a legal economy, and the prices the state pays for those products: After *Fujishock* the hourly rent for equipment (a tractor) to prepare the land for sowing rice has gone up 2.5 million intis to 30 million intis.

Despite this situation, the peasants are even more disposed than ever to substitute the illegal economic activity of coca for legal crops. We spoke with them in Uchiza, Tocache, Saposoa and in Cainarachi, for the length and breadth of the Huallaga River from Tingo Maria to Lagunas. Many of them have voluntarily abandoned their coca.

Even with the harsh adjustment measures, which unjustly fall heavily upon the country's poor, the peasants are looking for options: the return to the traditional peasant economy that has substitutes for everything or almost everything imported and demands a radical adjustment of consumer patterns. Some days ago in Tarapoto I saw more of the traditional corn drink being consumed, to the point of beginning to replace *Coca Cola*.

But the fall in coca prices is not going to last 100 years as the government seems to believe. The government is not giving the slightest sign of instituting a legal alternative to the illegal coca economy.

It seems that the government's priority is military. But beginning today Fujimori should be advised that if drug

prices begin to rise, the logic of the market will again impose itself on the logic of guns, even if they belong to the state.

Terrorist Attack Immobilizes Bus Company in Lima

PY2408212090 Lima Television Peruana in Spanish 1800 GMT 24 Aug 90

[Text] A terrorist attack today left completely inoperative a bus company that provides transportation services to other companies' workers. The Martinez Company, Inc. which is located in the new district of Los Olivos, was the target of an insane attack at 2130 last night.

According to Mario Mesada, a Martinez Co. worker, several men damaged the seven buses owned by the company with more than two kg of dynamite. The source said the dynamite seriously damaged the bodies and mechanical parts of the buses.

Today, the buses could not provide their regular services to Martinez customers; that is, the Interior Ministry, Famesa factory workers, and other companies.

Uruguay

Government Prepares for 25 August Police Strike

PY2508035090 Montevideo Radio Carve in Spanish 0000 GMT 25 Aug 90

[Excerpts] In view of the police strike announced for 25 August, the Interior Ministry has stated that it has adopted measures to preserve and guarantee individual rights.

A communique signed by Minister Juan Andres Ramirez indicates that the action that has been adopted clearly violates current laws.

The communique, which is numbered 64/90, indicates that in view of some media reports of a stoppage by police personnel on 25 August, the population is informed:

1. Measures that have allegedly been taken clearly violate what is established in police rules and regulations, and the violator can be punished in accordance with those rules and regulations.

2. This ministry and the high police command, taking into account that it is highly probable that this illegal stoppage will not be carried out, have taken all necessary steps to ensure that measures have been adopted to maintain and guarantee law and order, individual rights, and all matters pertaining to law and order.

3. The ministry reiterates its total confidence in the loyalty and professionalism of all members of the police who have firmly decided to oppose this type of conduct, which is incompatible with the sacred mission of maintaining internal order that society as a whole has charged them with.

The ministry's communique states that the Republic's population can be certain that public order and security will not be broken.

The communique is signed by Juan Andres Ramirez.

The interior minister has stated that no policeman has been arrested due to the announced strike. He also stated that he does not believe the report about the stoppage and he lauded the professionalism and responsibility of the force. [passage omitted]

Defense Minister Mariano Brito, when leaving a meeting with the Senate Budget Committee, stated that the president, in his role as commander in chief of the Armed Forces, has stated that in the event the Armed Forces have to be used if there is a police strike tomorrow, have no doubt that they will be. [passage omitted]

Venezuela

Perez Says 'Oil Supply' Main OPEC Problem

PA2408184090 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 24 Aug 90

[Text] A consensus has been reached on holding OPEC's consultative meeting in Vienna on 26 August. The seventh member who agreed to the meeting was Gabon. It is expected that important aspects of the oil policy will be established there, such as increasing production to help ease the situation.

Energy and Mines Minister Celestino Armas will leave for Vienna today, intent on reaching an understanding with the OPEC members who will participate in the consultative meeting.

Although many view this meeting as informal, there are great expectations over its results and the effects of those results on the international market.

Regarding this special OPEC meeting, President Carlos Andres Perez has reiterated that the current problem oil cartel members are having is maintaining the oil supply on international markets, not increasing in production.

Perez added that, fortunately, the community understands this and backs his government's strategy, as well as the meeting of OPEC members.

[Begin Perez recording] The OPEC member countries will meet on 26 August. It will be a consultative meeting. At that meeting we will decide what to do and act in accordance with the decisions made by OPEC to guarantee the world's supply. [end recording]

Meanwhile, Alan Viergutz, acting president of the Venezuelan Oil Chamber, believes that it is unadvisable to increase oil prices, and he added that one way to avoid this is by increasing production quotas of the OPEC members to cover the deficit in the internatinal oil market caused by the embargo of Iraq and Kuwait.

According to Viergutz, this is an opportunity for the country to reinforce its image as a sure and reliable oil supplier. He thinks that the oil price should be decreased gradually until it is set between $24 and $25 per barrel, because if it is maintained at the current price, $30, we would be facing adverse consequences for our country's economy.

[Begin Viergutz recording] The industrialized countries, which are beginning to implement energy conservation measures, would begin to produce additional petroleum because it is economically feasible to do so and, consequently, alternate sources of energy would be sought. We think this is very grave and we must be very cautious about any increase in the price of oil, instead, we must try to stabilize it. [end recording]

Viergutz feels that the additional revenue that the country will receive should be used for paying the foreign debt and investing in the country's oil industry.

Perez Says May 'Make Decisions Outside OPEC'

PA2408234690 Madrid EFE in Spanish 2306 GMT 24 Aug 90

[Text] Caracas, 24 Aug (EFE)—Venezuelan President Carlos Andres Perez said today that his country could make decisions outside OPEC if the OPEC consultation meeting fails to reach an agreement on oil production in Vienna on 26 August.

Perez told the press today that the OPEC consultation meeting, which will be held in Vienna on 26 August, will decide whether the OPEC countries will adopt certain measures as a group or whether "each member country will have to make decisions on its own."

President Perez stated that Venezuela has maintained its support for OPEC policies that defend the cause of developing countries.

However, Perez indicated that if there is no agreement among the 13 OPEC member countries, countries like Venezuela will have to adopt a specific position with regard to the oil market crisis that has resulted from the Persian Gulf conflict.

The Venezuelan Energy and Mines Ministry told EFE that, as an OPEC country, Venezuela has a production quota of 1.94 million barrels of oil, and that it is willing to immediately increase that production ceiling by 350,000 barrels.

Perez said: "Venezuela has acted intelligently. None of the OPEC countries —not even Saudi Arabia, which can produce three million barrels more than it is currently producing—have increased" their present level of production.

Venezuela cannot take the risk for a temporary situation. We could obtain more profits now, but later we would suffer the same crisis we confronted with the Iran-Iraq war in the eighties, Perez said.

The Venezuelan president rejected charges by several political opposition parties that his government has been indecisive and hesitant in deciding if the country would increase its petroleum production.

Perez asserted: "We have not hesitated." The problem is not only whether to increase production, but also "for how much we will sell petroleum and for how long the petroleum will sell for a profit."

Venezuelan Energy and Mines Minister Celestino Armas traveled to Vienna today. He will defend Venezuela's position that it is necessary for some OPEC countries to increase their current production to compensate for the four million barrels per day that are not reaching the international market because of the UN's economic embargo against Iraq and Kuwait, both OPEC countries.

Security Tightened in Oil-Production Facilities

PA2508191390 Madrid EFE in Spanish 1740 GMT 25 Aug 90

[Text] Caracas, 25 Aug (EFE)—The Venezuelan Government has tightened military security around refineries, loading ports and oil wells, but Interior Minister Alejandro Izaguirre said today that the step is not related to the situation in the Persian Gulf.

Izaguirre added that the National Guard is guarding oil installations, but this is a normal occurrence. He added that the installations are the heritage of the country, but admitted that reinforcements have been increased at strategic points.

The minister pointed out that these special security measures are not related to the delicate situation in the Persian Gulf, however, he did not explain why they were being undertaken.

Venezuela reported on 23 August that its crude output of 1,945,000 barrels a day will be increased by 350,000 barrels a day and that there will be another increase of 150,000 barrels a day in December to reach a total output of 2,445,000 barrels a day.

President Carlos Andres Perez has said that the increase will be carried out even if it is not supported by OPEC. Venezuela is one of OPEC'S 13 member countries.

In Venezuelan political and economic circles, opinions are split about the advisability of increasing oil production.

Those in favor feel that Venezuela must take advantage of the opportunity to obtain extra revenues with which to overcome its current economic crisis and to show the developed countries that it is a more reliable and trustworthy supplier.

Others say that there are no moral reasons for Venezuela to help the major consumers—U.S. President George Bush asked for the country's help on 13 August—because the support is not mutual.

It should be recalled that when oil prices dropped to almost $10 a barrel none of the industrialized nations helped Venezuela overcome the crisis caused by the slump and, on the contrary, they took advantage of the situation to accumulate large reserves.

Between these two points are people who advocate increasing production but bargaining to obtain a number of conditions to guarantee markets and stable prices for Venezuela on not only its light crudes, but for the heavy ones, of which it has huge reserves.

Diplomatic Personnel Evacuate Iraq, Kuwait

PA2408135690 Paris AFP in Spanish 1329 GMT 24 Aug 90

[Text] Caracas, 24 Aug (AFP)—Responsible sources have confirmed that the Venezuelan Foreign Ministry is continuing efforts today to evacuate its diplomats and all Venezuelan residents in Iraq and Kuwait.

Unlike the European and U.S. Governments, the Venezuelan Government (which is a partner of Iraq and Kuwait in OPEC), decided one week ago to vacate its embassies in Kuwait and Baghdad.

It was reported at the Foreign Ministry that Rafael Monsalve, Venezuelan ambassador to Iraq, is leaving today for Amman and that his wife is already there.

It has been unofficially reported that Jesus Osio, Venezuelan ambassador to Kuwait, and Counselor Jose Gonzalez have already left that capital and are traveling by land to Jordan or eventually Turkey.

Ambassador Arrives in Turkey

PA2608001590 Madrid EFE in Spanish 2319 GMT 25 Aug 90

[Text] Caracas, 25 Aug (EFE)—The local press today reported that Jose de Jesus Osio, Venezuelan Ambassador to Kuwait, is in Turkey after leaving Iraq with the approval of that country's authorities.

The newspaper EL NACIONAL published statements by Venezuelan Foreign Minister Reinaldo Figueredo saying that Osio and the counselor at the Venezuelan Embassy in Kuwait arrived in Turkey by land, after crossing through Iraq.

The departure of the two officials from Kuwait had been announced by Venezuelan Deputy Foreign Minister Adolfo Taylhardat on 21 August and had been scheduled for 23 August.

Iraqi Ambassador to Venezuela Majid al-Samarra'i said at that time that his country did not object to the departure of the Venezuelan diplomats and would grant them the necessary visas so they would not have any problems.

The EL NACIONAL report also said that nothing is known about the group of Venezuelans who decided to remain in Kuwait, presumably because of family ties.

The efforts to obtain the departure of Venezuelans living in Iraq and Kuwait were coordinated by Venezuelan Ambassador to Poland Jorge Daher from the capital of Jordan.